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PUBLIC TRANSIT AND THE PUBLIC INTEREST: AN EMPIRICAL EVALUATION OF TWO ADMINISTRATIVE MODELS

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PREFACE

The University of Winnipeg was the location of a major national urban studies conference, hosted by the Institute of Urban Studies in August 1985. The "Canadian Urban Studies Conference" addressed the general theme of "The Canadian Urban Experience - Past and Present." More than ninety specialists spoke during forty separate sessions on such topics as housing and the built environment, economic and community development, planning and urban form, women and the urban environment, and urban government and politics.

This publication is a result of the Canadian Studies Conference. The Institute of Urban Studies is publishing many of the papers presented at the conference in the Institute's publication series. Some of the papers will also appear in the scholarly journal, the Urban History Review/ Revue d'histoire urbaine and in book form.

This conference represented a major effort on the part of the Institute of Urban Studies in terms of fulfilling its role as a national centre of excellence in the urban studies and housing fields.

Alan F.J. Artibise
Director.

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PUBLIC TRANSIT AND THE PUBLIC INTEREST:
An Empirical Evaluation of Two Administrative Models*

By

Frances Frisken

Two administrative models have long dominated discussions about the appropriate way to manage publicly-owned urban mass transit systems. One, the independent commission or public corporation model, rests on the principle that the public transit agency is in the business of producing a good for sale to those willing to pay the price. It calls for an organizational structure that permits the agency to operate as much as possible like any private firm, free to tailor its activities to market conditions within constraints conducive to management efficiency but without external interference - particularly interference from political bodies or from persons motivated by "political" considerations. The second model derives from a view of transit as a necessary public service that belongs, with other government services, under the immediate control of locally elected politicians who will ensure that its operations conform to government and community priorities. Each of these models contains implicit assumptions both about the nature of local politics and the implications of local government structure for the realization of objectives commonly associated with urban transit. This paper bases an examination of some of these assumptions on an extended case study of the transit system that has served the City of Toronto and its suburbs throughout this century.

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Urban Transit and the Objectives of Local Government

The debate about the merits of alternative approaches to urban public transit administration dates back to the early days of the urban street railway industry in North America, when it occurred in an atmosphere dominated by admiration for the achievements of the private sector and distrust of the motives and administrative capabilities of elected local governments. The issues seem no closer to resolution now than they were then, however, despite a marked trend toward public ownership and government subsidization that overtook local public transit companies in North America in the l960s, and despite the fact that most urban governments are now highly professionalized. One recent study revealed substantial differences in the organizational structure and relationship to local government of l7 publicly-owned urban bus companies in the United States, an indication of substantial variation in the way city governments perceive the administrative requirements for effective transit operation.(l) On the basis of their analysis of these companies, authors Neil and Peter Hamilton propose a model for the "ideal" transit corporation that, they say, is more likely than alternative arrangements to satisfy the twin objectives of minimizing production costs while maintaining or expanding service mileage.(2) It is a model having many features in common with the "ideal" public corporation or independent commission favoured by turn-of-the century progressive reformers - features that include (¡) an appointed policy-making board composed of persons with a background in business or public administration, some experience in community affairs and, ideally, some knowledge of transit operations, (¡¡) a competent planning and operating staff and (¡¡¡) a large measure of functional autonomy for the board and for the professionals who manage the system - to enable the board to interpret legislative policy in light of "dynamic conditions" and to enable management to translate generalized policy (as laid down either by the board or by outside governments) into clear and unconflicting performance measures or criteria (decision-making rules) for passenger mobility.

In presenting their model the Hamiltons recognize a problem commonly attributed to the non-elected government organization: its lack of direct accountability to an electorate or its chosen representatives. They

maintain, however, that there are a number of ways in which a community (or its government) can ensure that an appointed board will act in its best interests: through the appointment process itself; by reviewing board decisions that involve the expenditure of tax dollars; by earmarking tax revenues for specific purposes; by submitting disputes to judicial review; or simply by taking steps to ensure the "competence and professionalism" of board members and staff. They also emphasize the importance of maintaining pressure on management to meet its operating objectives at lowest possible cost. Such proposed safeguards of the "public interest" are unlikely to satisfy those who object to the use of criteria of productive efficiency as the principal way of assessing the performance of a transit agency. Such critics tend to regard the public corporation as a form of political organization whose dominance by persons imbued with business or bureaucratic norms renders it insensitive to the priorities of the larger community and indifferent to unmet transit needs. The only way to avoid such deficiencies, they suggest, is by selecting a structural arrangement that allows elected politicians or local citizens to participate directly in service decisions and the way those decisions are made. One way to do this is to entrust the operation of the transit system to a department of local government ultimately responsible to an elected city council. Another is to allow citizens to participate directly in transit decision-making.

Two assumptions often implicit in discussions of alternative models of transit administration have received little critical examination in urban political analysis. The first is that the public corporation, once established, is indeed able to function independently from and with relative indifference to those currents of community opinion or community concern that find their way into local politics. The second is that the community concerns that do achieve effective expression in the political arena are those that will induce governments to adopt a transit policy that is more sensitive to the requirements of actual or potential transit users than is a policy devised by an agency that is formally isolated from the political arena. This second assumption derives from a theoretical perspective on urban politics that posits a direct relationship between actions taken by urban governments and the amount of influence exerted by (or influence potential of) various segments of the community having different stakes in policy outcomes. Such a perspective does not automatically mean that local government decisions will benefit actual or potential transit users,

however, for there are certainly elements of any urban community whose interests do not coincide with those of persons who use or desire public transit and whose potential for influencing local government may be greater. There is in addition an alternative perspective on urban political behaviour that casts further doubt on the assumption that the decisions of an elected local government are likely to be more attuned to the needs of transit users than are those of an appointed body. It holds that the circumstances in which local governments find themselves are likely to have greater influence on their public service decisions than are the political activities or the relative political strength of community interests having a stake in those decisions. According to Paul Peterson, a leading exponent of this point of view, environmental circumstances typically impose severe constraints on what city governments can or will do to satisfy the varied and limitless demands emanating from their constituents. This is because a) local governments depend on taxes levied on local property and local businesses for a substantial proportion of their revenue and b) local municipalties must compete among themselves to attract the type of citizens and investors who are most likely to enhance local economies. Hence local governments are more likely to pursue policies that promise to bring their communities net economic benefits than policies that redistribute income from the better-off to the less-well-off members of the community - particularly if policies of the latter type imply disbenefits for local economies. They are likely to increase expenditures on redistributional policies, in fact, only after they have attended not only to those requirements most closely associated with the community's economic well-being but also to those that "have neither much of a positive or much of a negative effect on the local economy." These intermediate policies, which Peterson calls "allocational", include the basic housekeeping services that allow the community to function and provide benefits to all its members, regardless of the size of their tax contribution.

Peterson's argument leaves open the possibility of finding variations, both among different municipalities and within the same municipality at different points in time, in the degree to which the state of the local economy dominates the concerns of local councils and thus the policies they adopt. This is because there are circumstances that may produce a temporary relaxation of constraints on local governments and thus make them more responsive to demands for new or expanded services coming from

various sectors of the community, including those seeking expansion of services of a redistributive nature. Among such circumstances are l) a period of rapid economic growth and prosperity that yields a sudden increase in the size of the local tax base, a situation that allows local governments to increase spending without increasing taxes; 2) access to a new source of revenue, such as new or enlarged transfer payments from a more senior level of government or 3) the ascendancy to local elected office of a political party or collection of like-minded individuals who are committed for ideological or political reasons to expanding the local service sector and increasing locally-funded benefits to the less-affluent members of the community. Thus the thesis that emerges from an environmentally-based perspective on urban policy-making is that the way a local government behaves toward any particular service will vary according to a) the objectives it ascribes to that service and b) the circumstances in which the government finds itself at times when it is called upon to act. It is possible to test such a thesis by examining variations over time in local government responses to a single urban service associated with a variety of objectives, taking into account the circumstances in which those responses occur.

Public transit is particularly well suited to such an examination because it is a service that can be located at various points on the spectrum of public policies ranging from the developmental to the redistributional, depending on the purpose ascribed to it. Its role as an aid to the development of cities was particularly apparent in the early years of the street railway industry, when the construction of lines leading from the center of cities into the surrounding countryside often accompanied or preceded the development of residential subdivisions.(4) It also served a broader spectrum of the urban population at that time than at any later period in its history because alternatives to its use were not only slow but often tiring and uncomfortable. With the advent of the automobile the role of transit as an agent of city growth and development declined in importance, and its role increasingly became one of providing a service to the community's more dependent members - those too poor, too young or too physically disabled to own or drive a car. Nonetheless it did have the advantage of transporting relatively large numbers of people in a relatively small amount of space, thereby helping to reduce congestion and road-building costs in heavily built-up areas. Recent years have seen a

revival of interest in the potential of urban transit - particularly rapid transit - either to stimulate a more compact, less wasteful pattern of urban development than the low density sprawl associated with automobiles or tc foster the revitalization of decaying urban cores.

Peterson's analysis of urban policy-making dynamics suggests that urban governments will be more disposed to promote or assist urban transit at times when it holds promise of furthering economic development objectives than at times when its role is primarily one of providing mobility to the less productive members of the community. Only in periods of reduced constraint on policy-making initiative is an urban government likely to respond to demands for changes in transit service that benefit sectors of the community that are not associated in a positive way with the development or the stability of the local economy. Even then there is nothing to guarantee that the groups to which it responds will be those most in need of public transit. This perspective raises a number of questions that are not usually dealt with in discussions of alternative arrangements for urban public transit delivery. One has to do with the concerns that preoccupy a local government faced with the need to choose a model for administering the transit system. Which of the three objectives (aiding community development, providing benefits to local taxpayers, securing transportaton for those who most need it) does local government expect that model to fulfull, or to which of these objectives does it give priority? Other questions relate to the impacts that a change in circumstances may have on the attitudes of public officials toward urban transit and its mode of delivery. Can a change in circumstances bring about a change in or reordering of local government objectives for public transit? If such a change occurs, does it have any effect on the nature or performance of administrative arrangements in place at the time? If so, how do variations in administrative arrangements affect the realization of the different objectives commonly associated with public transit? Underlying all these questions is a more basic one. Is the administrative model that a city government selects for the operation of its public transit system likely to make any difference in the long run to the type or quality of the transit service its constituents receive?

The system to which these questions are applied in this paper is currently owned by the Metropolitan Toronto government and operated by the

Toronto Transit Commission, an organization having many of the characteristics of the "ideal" public corporation promoted by the Hamiltons and the structural reformers who preceded them. A small part of that system has been publicly-owned and operated since 1910 and a larger part passed into the hands of the City of Toronto in 1921, at which time the city relinquished operating responsibility to an appointed commission of the type that has remained in control ever since. The system has been a singularly successful operation throughout its history, equalling or surpassing virtually all other North American transit systems for most criteria commonly used to measure both the quality and efficiency of a transit operation. Nonetheless it has faced periodic attacks from political activists seeking to bring it under the direct control of an elected council or to make it more responsive to one segment of the community or another. These occasions provide opportunities to assess the way circumstances can influence the political pressures brought to bear on such an agency as well as the impact of those pressures on the character of the agency, on the role of local government in transit delivery and on the way the transit system evolves.

The Decision for Public Ownership in Toronto

The City of Toronto's 1919 decision to buy out its privately-owned public transportation system has been depicted as the act of a city government more committed than most to protect the interests of its citizens from the greed and indifference of a profit hungry private corporation. (5) It is equally tenable, however, to view the move to public ownership as the act of a government that had gone so far in trying to use a private supplier to serve the city's interests that it left itself no alternative but to find another arrangement. The contract that City Council signed with the privately-owned Toronto Railway Company in 1891 incorporated concessions to a variety of interests that were pressing their demands on government at the time.(6) It recognized the concerns of the growing labour movement (of which street railway workers had been particularly active in Toronto) by specifying a minimum wage and maximum hours of work and by tempering its provision for a five-cent fare with a requirement for reduced-priced tickets (at 8 for 25¢) for use during morning and evening rush hours. It also provided for the free transportation of

uniformed city police and firemen. It held out the promise of new jobs by committing the company to the construction of a factory within the city for the manufacture and repair of streetcars and other equipment. It acknowledged growing pressure on city governments to exercise strict and technically competent supervision of private utility companies by assigning the City Engineer broad powers to decide where the company should build its lines, the type of equipment it should use and the amount of service it should provide. Its most detailed and comprehensive provisions, however, were those that specified the company's financial obligations to the city. Not only did those provisions ensure that the city would bear none of the costs of constructing and repairing the lines (which were to undergo conversion to electricity) - including costs incurred during a brief period of city ownership in 1891 - but they also required the company to pay the city $800 per mile of track to reimburse it for the cost of paving streets used by the railway; an annual share of gross receipts according to a graduated scale that rose to a maximum of 20% on receipts over $3,000,000 (the highest percentage levied on any street railway company in North America) and the prevailing city tax for public school purposes.

The 1891 contract made it clear, then, that Toronto's government felt no obligation to contribute toward the cost of providing transportation at a time when the city's outward growth was making it a necessary service for a growing number of citizens. Instead it treated the transportation system as a source of revenue for city purposes. Furthermore it made no provision for adjusting the financial arrangements to changes in conditions governing ridership and profitablity. Such changes are not only linked to changes in the cost of living but also to the pattern of city growth, for as a city expands and transportation routes extend outward, ridership per mile tends to decrease (because of lower suburban densities) while costs increase (because of the longer distances that vehicles must travel to serve a given number of riders). The city's failure ever to acknowledge the implications of urban expansion for transit costs and revenues was an important factor in the dispute that ultimately led it to take over the system.

Serious disagreement between the city government and its street railway operators broke out soon after the turn of the century when the city embarked on a succession of annexations that would almost double its size

by 1921. The company had already indicated that it did not intend to extend its lines beyond the City's 1891 boundaries and was responding to suburban expansion by setting up subsidiary companies to operate electric radial lines between the city limits and outlying communities. City Council refused to accede to company requests for permission to connect these lines with street railway termini inside the city, apparently because the company was unwilling to agree to terms and conditions sought by the city government on the advice of an outside consultant and its own Property Commissioner.(7) It tried instead to compel the company to extend city lines into the newly annexed districts under the terms of the 1891 franchise. The company insisted it was under no legal obligation to do so, a position upheld by the London Privy Council in a 1910 decision, and Council immediately authorized its Department of Works to build street railway lines in the newly-annexed districts.(8) For the next decade, then, the government and citizens of Toronto experienced the operation of a public transit system under an administrative arrangement that gave Council a deciding voice in its mode of operation.

Choosing an Administrative Model

The decision to build and operate the civic lines essentially ended the debate about public versus private ownership in Toronto. It was followed by ten years of discussions about the way the city should finance and operate its public transit system after it had exercised its contractual right to buy out the private company when its franchise expired in 1921. Those discussions occupied two distinct periods, the first lasting until the outbreak of World War I and a change in city government at the end of 1914; the second from then until Council actually voted in 1918 to purchase the railway and entrust its operation to an appointed commission. During the first period they focussed on an abortive attempt by the city's reform mayor, Horatio Hocken, to negotiate an immediate purchase of the private company, and were principally concerned with the financial implications of such a move. During the second period, discussions of the financial implications of takeover were closely intertwined with discussions about the best way to operate the system once it was in city hands.

The first round of discussions provided Council with a choice of three alternative ways of financing the consolidation and expansion of its street railway system. One was to pay the full costs out of revenues on the lines, something that consultants suggested the city could accomplish if it applied the TRC fare schedule on a uniform basis throughout the city and if it were willing to forego some of the profits it was then receiving from the enterprise.(9) A second proposal was that put forward by S. Morley Wickett, an academic writer on municipal reform who served as city alderman from 1913 to 1915 and chaired a Special Committee on Transportation set up by City Council. Wickett cited increased property values associated with the construction of the New York subway as a reason for charging all or part of the costs of new transit lines to property owners who benefitted from their construction.(10) Such an approach would be more equitable, he argued, than placing the burden on the general taxpayer. This view was at variance with that espoused by Mayor Hocken, who considered improved suburban transit as a necessary element of a program of social reform that would allow workingmen to move out of the crowded central districts into less congested areas on the periphery. Even as it was, Hocken maintained, the burden of paying two fares was falling increasingly on working-class people who constituted a growing proportion of residents in outlying districts. (11) His position was a defense of a third alternative - that of financing part of the cost of transportation improvements out of city tax revenues. This was the course actually followed during Hocken's mayoralty, for Council ignored the advice of its Commissioner of Works and set a rate of fare on the civic lines that was too low to cover their costs. It rejected Wickett's proposal for a special assessment on property-owners who stood to benefit directly from new lines. On three different occasions it also turned down motions to establish either an elected or appointed Commission to take over the city's transportation services.(12)

City Council's consideration of financial alternatives took place toward the end of a period of remarkable growth in the national economy that fuelled rapid increases in the city's population and assessment base. Between 1900 and 1913 the city's population grew by 124%; its assessment by 249%. ((13) It was also a period of rapid territorial expansion. Between 1909 and 1914 alone the city annexed over 8000 acres of suburban territory -

more than four-fifths the total amount annexed between 1891 and 1921 and two-fifths of the city's total area in 1921. (14) At least some of this activity occurred because suburban areas and their governments (North Toronto being an example) sought annexation to the city as a way of securing better transportation and other public services. In achieving their goal such areas immediately became a source of pressure on the city to provide those services.(15)

It was a period when the city government was particularly ready to respond to demands for new services. Not only did the council and ratepayers agree to the establishment of a municipal hydro-electric system, the initiation of civic street railway lines and major improvements to the city's roads, sewage treatment facilities and waterworks, but Council also adopted those measures that Mayor Hocken would later attribute to "the new spirit in municipal government" - measures that included expanded commitments to social and community services, the construction of a municipal abattoir as a way of regulating the price of meat and the institution of a minimum wage for city employees.(16) It was a period, in other words, when the city government seemed unusually disposed toward spreading the benefits of prosperity among all branches of the citizenry. What is especially noteworthy is that all this activity placed no additional burden on city taxpayers. The mill rate actually declined between 1900 and 1911, in fact, and then rose only slightly for the next three years.(17) From all indications, the ratepayers could have their cake and eat it too.

The same period was also one of remarkable financial prosperity for the Toronto Railway Company. Between 1903 and 1913 ridership almost trebled, from 53 to 151 million, and gross income rose from $2 to $6 million. (18) These increases brought immediate financial benefits to the city in the form of a steady growth in annual percentage payments and the City Treasurer regularly reminded Council of this fact in his annual reports. The Company was doing well out of its investment nonetheless - paying a dividend of 8% out of its profits by 1910 and still realizing a healthy surplus, some of which it spent on improvements to the system but most of which it allowed to accumulate in a reserve account - especially after the city government became more fixed in its determination to purchase the

system as soon as or even before its franchise expired. Thus there seemed no reason to doubt that the city was planning to take over a financially viable operation. Nonetheless there were enough obstacles in the way of early purchase to prolong negotiations until the outbreak of World War I, at which time the city government abandoned the attempt.(19) Hocken stepped down as mayor and voters replaced him with T.L. Church, a former controller who had opposed Hocken's negotiations with the company. Church was a friend and admirer of Adam Beck, the ambitious and aggressive chairman of the publicly-owned Ontario Hydro-Electric Power Company and an implacable foe of the private consortium that owned the TRC, its subsidary radial companies and several private power companies with which Ontario Hydro was competing. It was Beck's contention that the railway would be virtually worthless by the time its franchise expired and thus much cheaper to acquire than while it was still a "going concern." (20)

Beck's was not the only pressure on Council to exercise caution in its financial commitments. By 1914 the city's circumstances were beginning to look quite different from those that had prevailed when the purchase negotiations began. Rapid economic growth had ended in 1913 and the city government not only had to deal with a growing number of unemployed (for whom it constituted the only source of relief) but also with an atmosphere of distrust among international financiers about the worth of Canadian government securities.(21) In Ontario some of that distrust focussed on the provincially and municipally-owned electric power companies that had always been under attack from both national and foreign defenders of private enterprise.(22) Church's election thus coincided with the beginning of a period of growing pressure on the city to constrain its spending and avoid commitment to new and costly undertakings. Nonetheless he began his first term of office by stating his opposition both to an increase in fares on the civic lines and to the formation of a transportation commission, saying that the Commissioner of Works was administering the lines with efficiency and economy.(23) Only one year later, however, he was calling on Council to appoint a six-man Transportation Commission to "deal with the whole transportation problem of Greater Toronto for all time..."(24) For the time being Council was ready to appoint an advisory commission only, and for the next three years the interested parties debated the composition of a permanent body. The Advisory Transportation Commission favoured a

six-man board consisting of the Mayor, the City's Commissioner of Finance, two representatives from the business community, one from Labor, and one from the Toronto Electric Commission. Council wanted a five-man board consisting of the Commissioner of Finance and four appointees of its own choice. The Board of Control advocated a commission composed of three ratepayers - a model that promised greatest flexibility but also least possibility for Council influence or interference. The Board of Control prevailed, and in 1919 Council agreed to ask the city's electors to approve turning over the city's transportation system to "three ratepayers resident in the Municipality to be appointed by the City Council and to act without salary." (26)

The Purpose of the Model

Just what, though, was the transportation problem that the mayor expected the city's new commission to solve "for all time?" There were actually three distinct problems that had surfaced repeatedly during the acrimonious debates that characterized Toronto's transit politics after 1900, any one of which might have priority in the minds of those who supported the move to public ownership and management by independent commission. The first was the refusal of the private company to adjust its services to accommodate or anticipate the growth of the city. The authors of one study of the city's transportation requirements saw that as the key problem, noting that any extension of the transportation system should precede population expansion, whereas in Toronto it had been the reverse. "Any policy which results in such reversal," they wrote, "will fail to develop the resources of the city to the fullest extent."(27) By this time, however, city officials were changing their minds about the need to pin their hopes for the city's economic future on the extension of the local transportation system or the enlargement of the city itself. Instead they were expecting the benefits of growth to flow from a system of radial railways being promoted by Hydro Chairman Adam Beck - a scheme that Council and local ratepayers approved in 1915. It was the mayor's opinion that the radials would make Toronto "the hub of the Province", would help reduce the high cost of living by providing cheaper transportation for food and coal, would provide employment after the war and would help solve the

problem of under-production.(28) He was also pushing for better roads between Toronto and nearby communities. The city government decided during the same period not to annex any more territory unless the owners agreed to pay the entire cost of bringing services up to city standards. The city was willing to pay its share of the radials, in other words, but it wanted its contribution to the region's development to end there.

A second problem that loomed large in discussions of the city's transportation needs and difficulties was that of poor or deteriorating service. Under Church's leadership Toronto politicians became increasingly vigorous in their attempts to pressure the company to make improvements in its service and equipment. In doing so they often had the backing of the Ontario Railway and Municipal Board, a provincial regulatory agency established in 1906 to oversee relations between municipalities and private utility companies. Nevertheless the city was not prepared to give service improvements priority over all other considerations. In 1915, for example, a contingent of city officials led by Mayor Church celebrated the expiry of one of the TRC radial franchises by tearing up a section of the line, leaving the unfortunate citizens of North Toronto worse off with respect to transportation than they had been before. (29) That same year the council decided not to grant franchises to private bus companies that wanted to do business in the city. It also began to regulate privately-owned jitneys so severely that they ceased operation, even though both types of carrier would have provided an alternative to the service offered by the much maligned street railway company.(30) Quality of service took second place to the city's concern with protecting the monopoly rights and thus the financial viability of the local system.

There is nothing to indicate, however, that Toronto citizens were dissatisfied with the way their government handled transportation issues throughout the entire period of assessment and review, despite the apparent inconsistencies and reversals in city policy. Between 1910 and 1920 Council went five times to the city's electors and six times to its ratepayers for approval of measures that implied ever-greater city commitment to the acquisition, financing or operation of street and radial electric railways. It failed to gain that approval only once - when it asked electors in 1912 to authorize City Council to spend over $5,000,000 on an underground street

railway. In two referenda held in 1920, the electors both approved the operation of the Toronto railway by a three-man Commission and agreed that the city could apply for legislative authority to borrow for the railway without first asking the ratepayers for approval.(31) The margin of approval was virtually the same (just under 5 to 1) for both votes. Evidently the electors did not approve the Commission model as a way of indicating dissatisfaction with Council's handling of transportation issues. Nor had there been any indication that members of the city government questioned the ability or competence of the Works Commissioner and his staff to manage and operate a street railway, or that there were aldermen who saw the city's direct involvement in the street railway business as an opportunity for their personal enrichment. Aldermen did keep up continuous pressure on the Works Department to build new lines in their own wards, however, and the Department occasionally turned these down on the ground that the areas were already adequately served or not yet developed enough to support a service - reasons very like those used by the TRC in similar circumstances.

A more frequent source of disagreement between City Council and its Department of Works was Council's repeated refusal to authorize any increase in fares on the civic lines, even though they consistently lost money. The Commissioner's regular request for fare increases was a recurring reminder of a third problem associated with the operation of a street railway: that of maintaining it on a sound financial basis. It was the Commissioner's contention that fares on the civic lines should be high enough to make the system self-supporting, for otherwise "ratepayers were being made to pay for a service that benefitted only a section of the community" and the losses experienced by the lines provided ammunition for opponents of public ownership.(32) Council members were under continuous pressure to keep fares low, however - especially from those residents who had to pay at least two fares to get downtown. The costs of responding to that pressure were not critical as long as the TRC remained profitable and the city could count on receiving a substantial share of street railway earnings, for the city's receipts from TRC percentage and pavement taxes were more than enough to cover both the cost of maintaining street railway streets and the deficit on the civic lines. As time for takeover approached, however, there were indications that the city could not rely on the TRC lines to remain profitable indefinitely at the existing rate of fare. Annual profits

on the private lines began to fall after 1913 (even though gross receipts continued to rise) as a result of rising operating costs. In 1918 the company applied to the city and the ORMB for permission to raise fares. Both bodies turned down the request, citing the company's failure to make requested improvements.(33) Nonetheless the application itself conveyed a message to the system's future owners.

The declining financial fortunes of both the civic and the TRC lines paralleled a more general decline in the city's financial situation. Although the demands of a war enconomy had eased the depression after 1915, it also produced a rapid inflation that increased the costs of all city services at a time of slowdown in the growth of the city's population and assessment. As the mill rate rose from 19.25 in 1914 to 30.5 in 1919 city officials became more insistent on the need to find ways to economize. One way was to ensure that publicly-owned utilities would pay for themselves. This was the objective that dominated the city's perception of its transportation "problem" by the time it decided how it would administer the city system. In drawing up the terms of its agreement with the Toronto Transportation Commission, the City Council adopted what its Advisory Transportation Commission had recommended as the underlying principle of such an operation: that of providing "an adequate and efficient service, and that only such rates of fares shall be charged as will secure this, and will, at the same time, make the system self-sustaining - including the maintenance of the property in good condition, and due provision for renewals, depreciation, and debt charges."(34)

Not everyone on Council was committed to the administrative model the majority had chosen, of course, nor was it clear for a time whether Council would continue to support that model once its financial implications became clear. The first skirmish between the city and its newly-created transit authority occurred even before Council had transferred TRC assets to the TTC to operate, when the TTC's newly-appointed General Manager H.H. Couzens announced that fares on the consolidated system would be 7¢ a ride (or 4 tickets for 25¢) with free transfers between lines but with no reduced-price tickets during morning and evening rush hours. After outlining the challenges facing the Commission, Couzens told the Board of Control that "The object which the Commission is striving to maintain is to

give a more adequate service at the lowest possible cost, and not the least possible service at a fixed price." Council members fought the increase but finally approved the transfer by a narrow margin. Mayor Church, who had vowed to turn the system over to the Department of Works if the TTC did not back down, was absent from the meeting when the vote was taken.(35)

Apart from clearly specifying the TTC's obligation to make the city transit system self-sustaining, the agreement the city signed with the Commission in 1921 gave the transit agency a great deal of latitude to decide all details of operation - routes, schedules, type of equipment and rate of expansion and improvement - and thus a degree of freedom and flexibility that the city had always denied the Toronto Railway Company. The only checks the city retained over the Commission's activities were powers to appoint its members and to review the company's books on an annual basis. Two other city decisions gave the Commission additional advantages denied the private company. One was the decision to refrain from further annexation, a reversal of earlier policy that relieved the TTC from the type of pressure exerted on the TRC to expand services in anticipation of future development and future ridership. The second was a decision to free the TTC from all forms of taxation except that levied on city property-owners for school purposes - a concession criticized by the city finance commissioner as an indirect taxpayer subsidy to the streetcar system.(37) On the other hand the TTC faced a challenge not present in the context in which the TRC had begun to operate - the increasing use of automobilies and other automotive forms of travel, and the competitive threat these posed to street railways - both intra- and inter-city.

The TTC Under City Ownership

The events leading to public takeover and the terms of the TTC agreement both indicated that the city government's principal aim in moving from the council-committee to the public corporation model for public transit administration was that of protecting the city's investment and ensuring that city taxpayers did not have to pay any of the system's capital and operating costs. There had been enough agitation about service issues and enough debate about administrative alternatives, however, to

indicate that the TTC could succeed politically where the TRC had failed only if it managed to achieve a balance between the conflicting demands for better service and fiscal self-sufficiency. The strategy the TTC adopted to achieve that balance had many features in common with that of its unpopular predecessor.(38) With the help of capital borrowed by the city on its behalf the Commission embarked immediately on a comprehensive program of renovation and improvements, just as the TRC had done in the early years of its contract. It replaced outworn track and equipment belonging to the city system and consolidated and integrated TRC with civic lines and both with sections of radial lines located within the city limits. (The city had acquired those lines in a massive "clean-up" deal that transferred all privately-owned electric utilities to the city in l922) . At the same time it based its service decisions primarily on cost/revenue criteria. It cut out trolley buses when it found them uneconomic to operate and moved as quickly as possible to replace two-man with one-man cars as a way of reducing operating costs. It refused to provide new routes or extend existing ones to areas where development had not advanced far enough to provide enough passengers to cover the additional costs. It relaxed this rule only for areas whose residents were particularly disadvantaged in terms of walking distance to nearest available service, with 2200 feet being the maximum distance used to justify decisions based on economic criteria alone.

Needless to say the TTC's method of fulfilling its mandate left some members of the community dissatisfied and exposed the agency to criticisms from several sources. The Commission had to defend its move to one-man streetcar operation to the Ontario Railway and Municipal Board, local politicians and even the provincial legislature, for example, against attacks from union representatives concerned about loss of jobs and citizens who considered one-man operation unsafe.(39) Persons or areas dissatisfied with the pace of improvements or the TTC's response to requests for service conveyed that dissatisfaction to their aldermen, who raised the matter in Council. The TTC's reconstruction and improvement program drew complaints from persons inconvenienced by the disruption to local streets. There were frequent demands that the TTC lower its fares. As it became clear that the TTC was managing not only to cover both its capital and operating costs but also build up a reserve fund against future

"contingencies", there were also growing demands that it return some of its earnings to the city in the form of additional taxes or contributions to the cost of street paving.

It was clear from early in the TTC's history, then, that the administrative model the city had selected for its transit system had not freed the system or its operators from involvement in the political arena. To counteract adverse criticism, the Commission issued reports and placed advertisements in local newspapers to publicize its progress in making improvements to the system. It answered aldermanic requests for new or expanded service with regular reports giving detailed reasons either for its refusal or its compliance with those requests. It periodically reminded City Council that it too had a responsibility for the quality and extent of the city's transit services, for the city had to provide streets before the TTC could lay tracks or institute bus routes. It met all demands for reduced fares or for transfer of funds to city coffers with reminders of the need to maintain adequate funds on reserve both to pay off the city's debt and keep the system in good condition. These strategies were effective until the late 1920s, when dissatisfaction with TTC activities rose to such a level that the city government found it necessary to intervene directly in TTC affairs.

The events that prompted the city's intervention occurred during a period of rapid economic recovery that followed the post-World War I depression. Beginning in 1927 the city experienced a sudden spate of new downtown development and a rapid rise in assessment. The city's mayors were advising council nonetheless to refrain from committing the government to any major new investments.(40) The city still had a large debt, they pointed out, and it was advisable to keep taxes low to keep the city attractive to new investors. During this same period the TTC experienced a sudden increase in ridership, unusual for the industry at that time, and soon became the target of complaints about overcrowding and lack of sufficient vehicles during rush hours. It was in this context of conflicting pressures for frugality and service expansion that a dispute broke out between the TTC board - now reduced to one member by the death and illness of two original commissioners - and its General Manager, D.W.

Harvey. The ostensible matter of disagreement was the choice of supplier of 110 new streetcars but its underlying cause was a fundamental difference of opinion between the two men about the state and future of the mass transit industry and the scope of TTC responsibilities.(41) The one active commissioner, E.W. Lennox, had approved the streetcar purchase over Harvey's recommendation, citing the Commission's responsibility to respond to complaints about inadequate service. Lennox associated increased ridership with the city's recent growth and prosperity, which he insisted the TTC had a duty to accommodate and help sustain by expanding its services in the city and extending them to the suburbs. His motives for taking that position were not entirely disinterested, for as a person who described himself as having been "intimately associated with the building construction for many years" he had his own reasons for encouraging an expansionist policy. Harvey maintained that the Commission should refrain from major new capital investments at a time when the future of the transit industry was uncertain. He backed up his argument with statistics that documented an overall decline in patronage in the rest of North America as a result of the increased use of automobiles. His data also showed TTC service to be better than that provided by most other North American transit companies and to have improved steadily since the agency's formation. The city could help alleviate delays and overcrowding on the streetcars, he insisted, if it adopted stricter measures to control the movement of traffic and parking on downtown streets.

The disunity within the Commission provided City Council with an opportunity to use its power of appointment to make the agency more responsive to expansionist demands. What Council did instead was appoint as acting commissioners the city's present and former Commissioners of Finance - the two men most likely to agree with Harvey's cautious approach to new expenditures. Those individuals decided not to approve the streetcar purchase, prompting an angry public response from Lennox that they chose to interpret as an attack on the motives and integrity of the General Manager and other members of the Commission (including themselves). On their advice Council initiated a full judicial inquiry into TTC affairs, asking York Country Judge J.H. Denton to consider both the streetcar question and a second matter that had been the subject of political controversy over the preceding two years: the TTC's 1927 decision

to use $1,000,000 of its reserve funds to establish an independent subsidiary, Gray Coach Lines Ltd., to operate inter-urban bus services out of Toronto.

Gray Coach Lines Ltd. was one of two ways the TTC had chosen to respond to the demand for transportation service to communities outside the city, including nearby suburbs. (The other was to extend local streetcar and bus services into the suburbs on a cost-of-service basis, with deficits charged to the governments of benefitting municipalities.) The enterprise traced its origins to a TTC decision to buy up and operate private bus companies that were competing with several radial lines the city had acquired from private power interests and turned over to the TTC to operate, on the understanding that the city would pay any deficits. The city had taken over the lines just as they were beginning to experience the financial reversals that beset the inter-urban electric railway industry after the advent of automotive competition. The TTC soon instituted a policy of phasing out the lines, therefore, and substituting Gray Coach service to affected communities. It always maintained that this policy was in the best interests of the city, for it meant replacing a money-losing investment with an enterprise better attuned to emerging transportation demand. Its action aroused considerable opposition nonetheless, both from municipalities outside Toronto, which objected to the loss of the radials or the threat posed to their own economies by Toronto's greater accessibility, and by ratepayers, civic officials and civic groups that maintained the TTC had no right to invest in new enterprises (or large capital undertakings of any kind) without Council and ratepayer approval. According to their particular stake in the transit system, these critics maintained that the TTC should use its surplus to lower fares, increase wages, retire its debt to the city more quickly or improve service.

The dispute erupted during the summer of 1929, a period when the city was still experiencing the effects of prosperity and rapid growth . By the time the inquiry got underway the Depression had begun and by the time it ended, in March 1930, the prospects facing both the city and the TTC had changed considerably. Already the TTC had begun to experience the decline in patronage that was to cut its ridership by twenty-five percent over the next four years. The only bright spot in the picture was Gray Coach Lines, which actually experienced an increase in passengers and receipts while

those of the city lines were declining. The city government's reaction to the judicial inquiry and its outcome was undoubtedly influenced as much by these developments as by the recommendations that came out of it. In his report to Council Judge Denton essentially cleared the TTC of all charges of corruption and mismanagement but questioned the appropriateness of the TTC's Gray Coach venture. At the same time he maintained that the Commission's financial position made it well able to make improvements to the local system. He advised the city to strengthen the commission by giving it younger and more vigorous members and by paying them for their service (something the city had always refused to do). It should also exercise more detailed supervision over the TTC's financial affairs, he said. The city government's response was to allow the TTC to keep Gray Coach but to restrain it from enlarging that enterprise without Council approval; to decide not to increase its financial supervision over TTC affairs after hearing how much a more detailed audit would cost; to allow the TTC to continue to put surplus earnings in the much-criticized reserve accounts (which were now helping to offset revenue losses) and to leave all decisions about service changes and improvements in the hands of a newly-constituted Commission whose members would be paid for the first time. In selecting members for that Commission Council rejected those candidates who had been directly involved in the recent controversies about TTC activities but it did provide for the representation of a somewhat broader range of community interests than were found on the original Commission. One of the new members was a representative of organized labour, the second was a former financial officer of the Toronto Railway Company, and the third, William McBrien, was superintendant of the real estate department of a Toronto trust company and a person active in civic affairs.(42)

McBrien, who soon became TTC chairman and held that position until his death in 1954, would later receive much of the credit for the subsequent harmony that characterized the TTC's internal affairs and the lack of political controversy about transit issues that prevailed in Toronto over the next two decades. The appointment of a new and stronger Commission was only one of three council decisions taken at this time with important implications for transit operation, however. The second was a decision not to implement much of an ambitious and costly plan for street

improvements presented to Council in 1930 by an Advisory City Planning Committee charged with finding ways to relieve traffic congestion and improve the appearance of the downtown.(43) The Committee's plan emphasized measures to adapt Toronto's street system to the increase in automobile traffic that was likely to accompany the growth of the region to a projected population of 1.5 million people. By removing streetcar lines from some streets and making it easier for commuters to travel downtown by automobile, its implementation would have made it more difficult for the TTC to continue as the principal form of transportation for persons travelling into the city. The third significant decision was a negative response to applications from the suburban municipalities of York and East York for annexation to the city - a decision that essentially reaffirmed the city's 1918 policy against further expansion through annexation.(44) The proposed annexations, which the TTC and several city officials advised council not to approve, would undoubtedly have led to immediate pressure for the TTC to include the new territory in the uniform fare system. Their rejection left the Commission free for the next twenty years to concentrate on improving the system it had consolidated in 1921.

The changes made in the Commission in 1930 resulted in little change in the way the TTC carried out its duties. Immediately after the Denton inquiry the Commission launched a campaign to improve its public relations by issuing a number of reports lauding its past achievements. It also added those few services necessary to allow it to claim that it had brought transit service to within 2000 feet of 99.5% of the city's population. Beyond that it responded to the depression by economizing even more strictly than it had in the earlier period. Throughout the 1930s it also managed to deflect pressures on council to tap TTC surplus revenues for various city purposes by reminding elected officials of the Commission's responsibilities to keep the property in good repair (and thus protect the city's investment) and to ensure financial solvency in the event of a further downturn in the economy. It also pointed out the political dangers of a fare increase for which aldermen might be held responsible. The success of these arguments enabled it to make substantial improvements and replacements to its streetcar fleet in the latter part of the decade.

The TTC's protective strategy worked less well after 1940 when a large wartime increase in ridership produced a rapid rise in revenues just at

a time when the city had to expand its own services to accommodate a population swelled by an influx of war workers. Under pressure from the Board of Trade the City forced the TTC in 1942 to supplement the tax it paid on land with a tax on its buildings and a business tax. These additional taxes, together with other charges levied on the TTC, meant that the Commission was paying a higher level of local taxation than private businesses. (45) City Council added to those costs still further in 1944 by having the Ontario Legislature make the TTC responsible for operating losses on an uneconomic ferry service to nearby Toronto Island - a service the TTC had taken over in 1927 on condition that the city would pay all deficits.(46) As an alternative to lowering its fares the Commission also agreed in 1943 to spend $750,000 of its surplus revenues on a program of public works to improve the movement of traffic on streets used by its vehicles. (47)

Meeting the Challenges of Congestion and Suburban Expansion

The TTC's decision to finance street improvements out of its own revenues attested to the failure of its long-standing efforts to persuade the city government to adopt parking and traffic control measures as a way of aiding the movement of transit vehicles. While the city had been loathe to adopt measures that would curtail the freedom of private vehicles, it had also refrained throughout the 1930s from making any significant expenditures on street improvements. Thus the war years found the TTC stepping up its efforts to persuade City Council to take action to reduce growing congestion on the city's narrow streets. After an unsuccessful attempt to have the city adopt a plan that would allow the TTC to put two north-south streetcar lines on private rights-of way the Commission began to promote the idea of placing two of its busiest lines, on Yonge and Queen Streets, underground. The result of its efforts was the city's 1946 decision to allow the TTC to proceed with construction of a subway under Yonge Street.

The Yonge Street subway proposal was consistent with the TTC's conservative operating philosophy, for by the end of the war ridership on the Yonge streetcar line exceeded the maximum capacity normally assigned

to such facilities. It also took account of the rapid development occurring just outside the City's northern boundaries and the additional pressure this was likely to place on existing transportation facilities. These were not the main arguments the TTC used in its successful campaign to persuade the city's newly-created Advisory City Planning Commission, business community, elected officials and voters to agree to the project, however. Instead that campaign emphasized the advantages of removing streetcars from congested city streets and the economic benefits that an improved transit system would bring to the city in the form of higher downtown property values, new jobs and increased potential for "the development of Toronto as a major industrial center."(48) The operating surplus of $25,000,000 that the TTC had accrued by the end of the war, together with the prospect of financial assistance from federal government reconstruction funds, also enabled it to assure city council and the city electorate that they could have the subway for no greater financial outlay than that needed to replace or improve affected city services.

Inner city congestion was not the only transportation problem receiving attention from Toronto area decision-makers in the years right after the war. The second was the build-up of pressure for better transportation between the city and its rapidly-growing suburbs. A perceived need for better roads to aid the area's development was the issue that converted Frederick G. Gardiner, reeve of the suburban municipality of Forest Hill and future chairman of Metropolitan Toronto, from a position of opposing to one of supporting the unification of the area's municipalities under a single government. (49) Public transit was also a matter of areawide concern. By 1947 there were four independent bus lines supplementing the TTC's suburban services and 14 different fares being charged to suburban residents travelling into Toronto (50). When consultants of suburban municipalities met in 1947 with a recently-constituted Toronto and York Planning Board to discuss the contents of a proposed metropolitan plan, they identified public transit unification as one of the two matters most urgently needing attention. (The second was drainage and water supply.) (51)

The man chosen to advise the Toronto and York Planning Board on transportation matters was Norman D. Wilson, a self-employed consulting engineer who had worked on several studies of the city's transportation problems and had been one of the principal architects and most vigorous

proponents of the TTC's subway plan. In his report to the Planning Board Wilson recommended unification of the area's transportation services under a Metropolitan Toronto Transit Commission and their operation by a system of zone fares. (52) He also discussed at length why an immediate fare increase would be necessary to keep the system financially viable. There might even come a time, he suggested, when annual expenses on the system would exceed revenues, although that had never happened before. "In such event," he pointed out, "the municipalities would be called upon to share the deficit in proportion to the benefit from the transit service received by each." (p. 6)

Wilson's fare proposals caused an immediate outcry of opposition, especially from spokesmen for the city, near-in suburbs and Labour, who insisted that the TTC had a huge surplus and had no right to consider an increase in fares.(53) The reality was different, for a number of reasons. The subway was costing more than anticipated because of changes in construction plans to accommodate requests from the city government and city neighbourhoods. The federal government had withdrawn its offer of assistance when an expected post-war depression failed to materialize. Finally, inflation had brought rapid increases in capital and operating costs. Thus by l950 TTC expenses were exceeding revenues. One year later the Commission both raised its fare (from 4/25¢ to 3/25¢) for the first time in its history and asked the City to borrow additional capital to allow it to complete the subway.

The rapid decline in the TTC's financial fortunes coincided and constrasted with a period of substantial improvement in the financial base of municipal highway departments. In l947 the provincial government made road-building grants available to cities and separated towns for the first time, and in l949 it removed an upper limit on the amount if would pay toward municipal roads.(54) Thus the area's local govenments could now look to the province to cover at least one-third of the cost of any new roads they decided to sponsor. Nonetheless in l95l the Toronto and York Planning Board expressed concern that there had been no action on a metropolitan transit authority, pointing out that the alternative was to build more highway and parking facilities with costs "borne very largely by further taxation of real estate already overburdened." (55) The perception was that local governments and local taxpayers would have to pay to get more roads but they could have public transit for nothing.

A metropolitan transit authority was one of the structural changes endorsed by Ontario Municipal Board Chairman Lorne Cumming in his 1953 report calling for a metropolitan form of government for the Toronto area. Several of the changes that the province made in the area's governmental system on the basis of that report were designed to overcome perceived constraints on local government effectivness and thus strengthen the area's ability to realize its economic potential. For one thing, metropolitan government meant a pooling of local revenues for those purposes assigned to the newly-created metropolitan council and school boards, and thus made the resources of the cental city and richer suburbs available for improving services in revenue-poor suburban municipalities. For another, the change was intended to improve both the capacity and the willingness of suburban municipalities to accommodate low cost housing (including government-assisted rental housing) and thus reduce constraints imposed on the redevelopment and revitalization of the central city by the ring of dilapidated and overcrowded housing that surrounded the central business district. Over time it might also mean a reduction in the city's responsibility for social services as the suburbs absorbed an increasing share of the area's low income population. The change also brought an immediate increase in the size of provincial road building grants to 50% of approved metropolitan projects.

There was no change in arrangements for financing public transit, however, despite Cumming's suggestion that the province formally recognize "the underlying liability of the metropolitan area for the provision of possible future deficits in this publicly owned system."(56) The legislation establishing Metropolitan Toronto in 1953 gave the new jurisdiction a public transit authority by the simple expedient of changing the name of the city company to the Toronto Transit Commission and adding two members to its governing board. It specified in language identical to that governing the Toronto Transportation Commission that its successor must cover both its operating and capital costs out of fare-box revenues. The TTC would also continue to pay those taxes and other costs that the city government had imposed on the system.

There were substantial changes in the nature of the TTC' s obligations, on the other hand. Not only did the agency see its service area increase from 35 to 240 square miles but it also had to purchase and consolidate four independent bus lines and assume full financial responsibility for those

suburban services that had earlier received municipal subsidies. While the TTC was able in 1953 to pay off the last of its original debt to the city, therefore, it began its career with a new debt to the metropolitan corporation of $66.6 million ($13 million for the purchase of bus lines and $53.6 million for subway construction).((57) It immediately indicated that it intended to proceed slowly in meeting its new responsibilities, observing the same type of rules it had used in deciding when to make changes to the city system. It would provide "basic services only on the main arteries to established centres of industry or population." It would extend those services only when and where the state of suburban development warranted it. While it acknowledged "a duty to aid in community development by pioneering services which for the time being are not self-supporting but which give promise of becoming so in the near future," it warned that the pursuit of such a policy "beyond wise limits" would inevitably lead to disastrous results.(58) It supplemented this conservative operating philosophy by instituting a five-zone fare system that meant that riders in the outermost parts of Metropolitan Toronto would pay twice as much to get downtown as those living in the city.

A Conflict of Objectives

The change in the TTC's composition and responsibilities brought an abrupt end to the relative harmony that had characterized the agency's relationship with its political environment, plunging it into a period of political conflict that severely damaged the organization's reputation for effectiveness and brought demands from several quarters for its dissolution and the transfer of its functions to a department reporting to a Committee of Metro Council. Some of the problems stemmed from a change in personalities. With the death of William McBrien in 1954 the TTC lost a chairman whose talent for public relations, leadership abilities and respect for professional judgment had helped foster good relations between the TTC and the community and between the Commission and its staff. In 1955 the agency gained a different kind of chairman in Alan Lamport, a former City of Toronto mayor who still harboured political ambitions and whose combative political style not only helped to alienate important elements of the TTC's external constituency but also created open dissension within the agency itself.(59) The TTC's political difficulties were symptomatic of problems

that went much deeper than differences in personality or political style, however. From the beginning there were fundamental differences of opinion both within the TTC and within its political environment about the nature of the agency's responsibilities and the role it should play in a new, greatly-enlarged community that was undergoing fundamental changes in its pattern of development and in the travel behaviour of its residents.(60) The attacks of its political critics were really efforts to make the TTC abandon operating rules that had helped make its forerunner an effective and financially successful city-wide service but that many now considered to be inappropriate to its new situation.

Some of the earliest attacks on the TTC came from spokesmen for the governments of the developing suburban areas. The high priority that those governments had earlier assigned to transit improvements made the TTC's performance in the suburbs an important test of a metropolitan political experiment in which most suburbs were participating reluctantly. The TTC's go-slow policy on suburban services thus seemed like a betrayal of an implicit bargain made to win suburban compliance with the new arrangement. The transit agency added to this sense of injustice by requiring suburban residents to pay higher fares for services deemed inferior to those available in the city. It further exacerbated suburban disgruntlement by pressuring Metro Council to approve and help finance costly additions to the subway system at the same time it was telling suburban petitioners that it could not afford to add new bus routes in the outer districts. From the perspective of TTC management, however, the issue was not one of buses versus subways or suburbs versus the central city, as some critics maintained, but of choosing between investments that could only add to the agency's financial and operating difficulties and investments that might help to improve its situation. Densities were much lower in the suburbs than in the city (averaging 2350 persons per square mile in 1953 as compared to almost 20,000 in the city) and distances were greater - characteristics that meant that suburban buses would carry many fewer riders over longer distances than those in the city, and so were much more likely to operate at a loss. The prospects for subways looked much brighter, for ridership on the Yonge subway had not only exceeded predictions right after its opening in March 1954 but had also increased or remained stable between 1954 and 1959 while that on the rest of the system declined. The only routes that did not participate in the downward trend

were those that fed the subway. There seemed to be good reasons for concluding, then, that the long-term health of Toronto's public transit system depended on the construction of additional subways.

While the TTC's emphasis on subways fed suburban dissatisfaction, its approach to their planning and location brought it into conflict with members of Metropolitan Toronto's Planning Board. At the root of that conflict was a difference in philosophy about the purpose that subways should serve. Metro planners, taking their cue from existing City of Toronto plans and the developmental goals of provincial and local backers of the metropolitan experiment, adopted as their primary objective that of finding ways to strengthen the city's downtown core as Metropolitan Toronto's commercial and cultural centre. They early concluded that it would be impossible both to achieve that objective and satisfy all travel demand into the center by building roads alone; that public transit was also necessary. They argued, therefore, that subways should be designed for the primary purpose of channelling commuter traffic into the downtown core on routes coming directly either from residential areas of high and medium density or from the terminal points of expressways serving areas of lower density.(61) The TTC's position, advanced principally by transportation consultant Norman Wilson, remained essentially the same as that used to justify the Yonge line in the l940s. Subways, Wilson argued, should be regarded as integral parts of a metropolitan transit system having as its primary purpose "the continuing provision of adequate and desirable transit service to the inhabitants of the metropolitan municipality."(62) They should replace streetcars (which in any case were wearing out and no longer being manufactured) in heavily travelled corridors, and so help to relieve street congestion and prevent the deterioration of the central area. Wilson found a "complete absence of any consideration of the economics of transit operation ...." in the planners' concept of subways, and suggested this was the reason transit planning should remain under the control of an independent commission with substantial powers to carry out the "onerous duties" assigned to it.(63)

The philosophical differences between the TTC and Metro Planners gave rise to a prolonged dispute about the location of Toronto's second subway, an east-west line along Bloor and Danforth Streets on the northern edge of the Central Business District. The TTC wanted to replace an

existing streetcar line with a linear subway under Bloor Street; the planners wanted to bring the line into and through the heart of downtown in a U-shaped loop, leaving the intervening section of Bloor Street to be served by streetcars, as a way of making the subway more useful to downtown commuters travelling from the eastern and western sections of Metro. The dispute highlighed a weakness in the Metropolitan Toronto Act, which had assigned transit planning responsibilities to both the TTC and the Metropolitan Planning Board but had failed to clarify which body should have final say. In the end the decision fell to Metro Council which, at the prompting of Chairman Gardiner, decided in favour of the TTC. Thus Metro Council emerged from the incident as the body clearly in a position to decide where the area's new subways should go. That authority gained a financial basis over the next few years as the interested parties grappled with the most divisive of all transit issues to agitate Metro politics during this period: the question of what to do about the TTC's inability to fulfill the expectations of its constituents and its own members within the constraints of a mandate that required it to be self-supporting. The problem was apparent from the beginning, for the reconstituted Commission ended its first year of operation with a deficit of $2.4 million despite the opening of the subway and a substantial increase in ridership over the previous year.(64) There were three ways in which local decision makers could deal with the situation, and each appealed to a different set of interests.

The first alternative was retrenchment to a position that would allow the TTC to continue to function as a completely separate and autonomous agency, covering all its costs and paying off its debt to Metro out of farebox revenues. This approach implied rigorous adherence to the policy of providing new services only when conditions made it likely that they would eventually pay their own way, cutbacks or elimination of unprofitable services and at least a postponement - if not the complete abandonment - of further subway construction. Various interests (including Metro Chairman Gardiner) continued to favour an independent and self-supporting TTC in principle but few were prepared to agree to the sacrifices or accept the consequences of keeping it that way. The suburbs were insistent in their demands for better service. Chairman Gardiner agreed with the planners that the city could not meet all its transportation needs by building expressways; that subways were also needed. He even advised Council not to be persuaded

out of that point of view by the availability of the 50% provincial subsidy for roads.(65) In his attempt to quell political opposition to the TTC he also secured the appointment to the Commission of former politicians like Lamport who pushed strongly for route expansion and public subsidy. Even the TTC tempered its conservative approach to suburban extensions with an early commitment not to curtail existing service on unprofitable routes. Its staff also argued the need for more subways in the interest of sustaining ridership. Nonetheless the years immediately before and after the formation of Metropolitan Toronto provided some evidence of what lay in store for the area's transit system if it had to continue to pay its own way. Per capita ridership fell in most years after the end of the war but dropped most sharply in the years following a fare increase. This was true even for 1955, despite the opening of the subway the year before. Past achievements had obviously not rendered the TTC immune to the "downward spiral" of rising fares followed by declining patronage and revenues that was afflicting most of the transit industry by that time.

It was clear from an early stage, then, that if the TTC was to serve as an effective supplier of transit services on a metropolitan scale it would have to receive government assistance. Such assistance could take one of two forms: capital grants toward subway construction or subsidies to defray operating costs. TTC staff much preferred capital over operating assistance for a number of reasons. First, they had long argued that subways served a dual purpose - that of upgrading service and relieving street congestion. The latter function made them an alternative to roads and thus a legitimate charge on the governments that would otherwise have to pay for those roads. They also believed - naively, as it turned out - that it would be easier to keep subway than bus route decisions free of political interference because the reasons for building subways were straightforward and easy to support with existing ridership and traffic data. The experience with the Yonge subway also suggested that facilities built to replace heavily-used streetcar lines would at least cover their own operating costs, and so not add to the deficit.

The success of the first subway also generated political backing for a continuing subway program and thus for capital grants. Much of this support came from the city and derived from the perceived benefits that subways brought both to private investors and the city tax base. A noticeable rise in

property values and stepped up redevelopment activity along the Yonge Street corridor seemed to confirm the TTC's earlier claim that the subway would contribute to downtown renewal and revitalization.(66) And an increase of transit usage in the Yonge corridor led Metro planners to accept the TTC's argument that the construction of subways could have salutary effects on the city's traffic situation as a whole.(67)

Not all parties active in transit disputes shared this enthusiasm for subways, of course. Representatives of the outer suburbs were particularly opposed, for they saw subways as of sole or primary benefit to the city and the reason for the TTC's failure to deal with deficiencies in suburban transit. This did not mean they constituted a bloc in favour of operating assistance. They were strongly opposed to supporting public transit out of Metro tax revenues, in fact, saying it would impose an unfair burden on suburban residents who were already paying a premium fare to use the transit system. They were prepared to consider the idea only if the TTC instituted a single fare for the whole of Metro. The TTC rejected this course of action, characterizing a single fare as a subsidy from Zone I riders, who constituted almost 90% of TTC patrons, to travellers on the less densely-populated, longer distance routes in the suburbs. Representatives of both the city and the inner suburbs defended the existing fare structure for the same reason.

Complicating the issue still further was the attitude of provincial premier Leslie Frost, who believed that any support to public transit would cut down on the use of automobiles and thus cut into an important source of provincial revenue.(68) As the province had to approve any changes that Metro decided to make in its relations with its transit agency, this attitude stood in the way of a change in financial arrangements even in the unlikely event of agreement among local participants on the best course to follow. It is not surprising, then, that attempts to resolve political disputes were so piecemeal and tentative during the 1950s that they failed either to ease the TTC's financial difficulties or reduce the volume of criticism directed at the agency. The only financial adjustment of any magnitude to occur before 1960 was a Metro decision to assume 55% of the construction costs of the east-west subway - less than the 75% requested by the TTC at the time but still enough to make Metro Council the senior partner in the subway building business.

Political infighting during Metro's early years did result in a number of changes to the institutions most directly involved in transit decision-making. Within the TTC itself a dispute between Chairman Lamport and General Manager G.M. Duncan over control of daily operations led to a division of senior management responsibilities between two general managers, one for Operations and the other for Subway Construction, with Duncan assigned to the second position.(69) The move was intended to make management (especially Duncan) clearly subordinate to the Commission but it also deprived the agency of a single person to coordinate and articulate the viewpoint of the operating staff. The dispute between the TTC and Metro planners about the route of the east-west subway prompted Metro Council to add four more of its own members and the TTC Chairman to the Metro Planning Board.(70) Gardiner also agreed to let the Planning Board have additional staff for transit planning.(71) While he resisted pressures to dissolve the TTC entirely and place the transit system within a Department of Transportation responsible for both transit and highways, he did agree that Metro should appoint a liaison representative to attend TTC meetings as a nonvoting member and report to Council on matters affecting both bodies.(72)

Financial and structural changes made before 1964 had the effect of weakening the TTC's influence in transit decision-making but provided little relief from its financial difficulties. That relief came only after a city attempt to have Metro approve a permanent operating subsidy not only failed but left Council so badly divided that transit disputes seemed to threaten the survival of Metro itself.(73) As it turned out, however, Metro Council was able to agree to extend the Bloor-Danforth subway into the suburbs - a proposal put forward by Metro planners in the interest of making the subway part of the Metro system and so overcoming suburban resistance to providing the TTC with more financial assistance. "We took the position," according to a senior planner of the time, "that subways serve a political purpose." (74) The ploy worked, for in 1964 Council accepted responsibility for 70% of both the cost of subway construction and of the TTC's accumulated capital debt. It then managed to persuade the province to reimburse it for 33 1/3% of the cost of subway roadbeds. In the years that followed Council approved two extensions to the Yonge subway, making further financial concessions each time. By 1970 it had exempted the TTC from municipal taxes on property used for rapid transit purposes and was paying the entire cost of the most recently approved extension. The province had also increased its contribution to 50% of subway roadbed costs.

The extension of subway lines into low density suburban areas was inconsistent with the TTC's frequently-stated philosophy that subways should replace existing streetcar lines in heavily-travelled corridors. Nonetheless the TTC undoubtedly contributed to suburban willingness both to approve and help finance such projects by emphasizing the benefits in the form of new development and increased assessment that had flowed to the city from the Yonge Street subway and that would follow from the building of new lines. (75) The political appeal of subways had much to do with their perceived benefits to local economies.

The decision on the Bloor-Danforth extension ushered in a period of relative calm in Metro Toronto transit politics. Not only was the TTC's financial situation somewhat improved, but there was also a decline in political infighting both within the TTC and between the agency and other branches of the metropolitan system. One reason for improved relations was new TTC leadership in the person of Ralph Day, a former City of Toronto mayor who joined the Commission in 1963 and soon became its chairman. Day was a businessman and a fiscal conservative whose respect for professional advice helped to heal the divisions between commissioners and their staff. Under his direction the Commission became more stable and less divided on policy issues (or at least managed to work out its differences in private) and began to present a more united face to the world. Day was also on good terms with Metro Chairman William Allen (who succeeded Gardner in 1961) and others he had worked with during his years as a city politician. The TTC's relations with Metro Council improved, therefore, even though the Commission barred the Metro liaison representative from discussions not directly related to subway construction - the only matter in which it recognized a legitimate Metro interest.(76) Its relations with Metro planners also became more cooperative, even though their philosophical differences persisted in the form of a prolonged disagreement about the route for Metro's third subway. The TTC wanted to build a subway to replace the heavily-used streetcar line on Queen Street, a busy east-west commercial street that bisected Yonge Street in the heart of the central business district. Metro planners believed the next project should be a subway within the alignment of a projected expressway (the Spadina) running in a north-westerly direction between downtown Toronto and suburban North York. The TTC kept a low profile on the issue, however, avoiding open disputes with Metro planners and leaving it up to city spokesmen to argue publicly for a Queen Street line.

Another reason why the transit system moved out of the political spotlight in the mid-1960s was an apparent improvement in TTC performance. A steady increase in annual ridership between 1962 and 1968 gave the system a look of greater stability and permanence. While fare increases in 1964 and 1967 sparked the usual wave of protests, they no longer seemed symptomatic of a system in the throes of a terminal illness. Gradual improvements in suburban service also made it easier for the TTC to defend its performance from attacks by its suburban critics. In figures compiled for Commissioner Carl Goldenberg's comprehensive review of Metropolitan Toronto (1963-1965), for example, the TTC was able to show that it had doubled its annual mileage of suburban bus operation - from five to ten million - between 1955 and 1963. In 1962 it had reduced the number of fare zones from five to two.(77) One year later it announced a plan for extensive additions to bus routes on the existing grid of suburban arterial streets, and within six months was able to report an increase of 17.6% in suburban bus mileage and 9.3% in Zone 2 passengers.(78) Its overall performance during its first ten years had not been as bad as some of its critics charged, in fact, for its 38% loss of ridership compared favourably with the average 48% loss experienced by transit systems in the rest of North America.(79)

The TTC and its supporters were able to convince Commissioner Goldenberg to reject the advice of those who still wanted the TTC dissolved and its responsibilities transferred to a Metropolitan Toronto Transportation Department. The Commissioner recommended only that the Chairman of Metro Council should be ex-officio a full member of the TTC and called for more formal coordination of overall transportation planning between the staffs of the TTC, Metro Planning Board and other agencies. The provincial government made no changes at all either in the TTC or in its relationship to Metro Council when it reorganized Metropolitan Toronto in 1967. It was not long, however, before the TTC was embroiled in a new set of controversies that culminated in greater changes in its composition and its relationship with other units of Metro government than those Goldenberg had envisaged. At the root of these controversies was the failure of both Metro or provincial subsidies for subway construction to provide a long-term solution to the TTC's financial difficulties or to change the TTC's way of dealing with them. Suburban bus routes continued to operate at a loss and the rapidly rising cost of labour and materials during the 1960s placed additional pressures on

revenues. Under Day's leadership and with his full support the TTC continued to adhere strictly to the financially conservative rules of operation that had governed its operations in the past - carefully evaluating all proposals for changes in transit operations in terms of their implications for the TTC budget and rejecting most of those that implied any increase in costs or reduction in revenues. Conflict arose because of the growing incompatibility between this policy and changes taking place in the size and character of the Metropolitan Toronto population, in the pattern of residential development being fostered by public and private agencies and in the area's political institutions.

The TTC under Attack

The rapid growth of Metropolitan Toronto's population fed dissatisfaction with the TTC in two ways. First, it was not spread evenly throughout Metropolitan Toronto but was concentrated principally in the three outer suburbs, which meant that an increasing proportion of actual or potential transit users lived in the outer fare zone. Suburban members of Metro Council became ever more insistent in their demands for a single fare, therefore, especially after Metro's 1964 decision to increase its subsidy for subway construction. They argued that the infusion of suburban tax dollars into the transit system entitled suburban residents to the same treatment accorded residents of the city and inner suburbs; that the development of the metropolitan area had entailed a steady increase in the number of suburban jobs, many of them held by blue-collar workers who lived in the city; and that elimination of zone fares would encourage suburbanites to use transit and so help reduce the use of automobiles. To all these arguments TTC officials replied, as they had always done, that a single fare constituted a subsidy to suburban riders from those living in the inner zone. They made the same kind of response to petitioners who signified the second offshoot of Metro's growth: the proliferation of groups representing categories of persons making a claim to special treatment in transit decisions. To those requesting reduced fares for senior citizens and other groups, extension of existing student fares to encompass more hours of the day and then more days of the week, and elimination of fares altogether for such groups as school crossing guards, disabled and handicapped citizens

and convention delegates, the TTC replied that reduced fares of any kind constituted subsidies from some passengers to others. It insisted that municipalities or other governments that wanted to assist groups with special needs should do so out of tax revenues, not by imposing the added costs on transit riders.(80) To those who asked the TTC to design future subways to accommodate wheelchairs Commission members responded that the idea was both costly and impractical. It would not work, said one, unless streetcars and buses were also modified to the same end. It would be cheaper, suggested another, for the city to hire taxis to transport people whose handicaps prevented them from using the regular system.(81)

As TTC service policy was bringing the agency into conflict with spokesmen for growing and diverse segments of the metropolitan population it was also becoming increasingly incompatible with the pattern of development occurring in most of the outer parts of Metro. Like suburban development throughout North America at the time, that taking place in Metro Toronto conformed to planning ideas that emphasized the separation of pedestrian from vehicular traffic, favoured a strict separation of land uses and promoted the isolation of institutional and commercial establishments from nearby streets, residential neighbourhoods and other buildings. The application of those principles in suburban planning resulted in residential subvdivisions based on a maze of local streets that provided no convenient through routes for buses; sprawling industrial parks that generated demand for transit only for brief periods during the morning and evening rush hours; and major commercial and institutional establishments surrounded by massive parking lots and landscaped open space. This pattern of development caused increasing difficulties in TTC/suburban relations as it generated rising demand for transit service from newly-developed areas located at some distance from the arterial roads to which the TTC confined most of its suburban bus routes. These straight north-south and east-west streets traced their origins to a grid of rural roads, spaced a mile and a quarter apart, laid out by government surveyors in the late eighteenth century. The TTC had always based its route network on that grid and the city had usually adhered to it in laying out streets to accommodate new development, locating secondary streets parallel to those contained in the original survey. Thus it had been relatively easy for the TTC to bring service into new parts of the city simply by building streetcar lines and adding bus routes along streets that bisected the major arteries. The suburban style of development was a different matter, and the TTC typically

refused requests for service into areas where convoluted street layouts meant longer bus journeys (and thus higher operating costs) than similar services provided on linear routes. Members of middle class, car-owning households were not the only persons affected by such refusals. The interiors of the large blocks bounded by arterial streets contained industries, schools, colleges, universities and other institutions as well as a large amount of high density rental housing - some of it built with government assistance - containing a diverse population that included recently-arrived immigrant families, senior citizens and families living on public assistance. Thus the TTC's operating policy was imposing considerable hardship on those categories of persons who were most likely to require its services.

The incompatibility between TTC operating rules and the service demands generated by a changing metropolis contributed to a growing image of the TTC as an agency that was insufficiently responsive to the needs of the community. So did the TTC's method of dealing with the public. During the Lamport years the Commisson had adopted the practice of meeting once a year with suburban councils to discuss service requests and decide on priorities. After that it routinely advised dissatisfied petitioners to channel their requests through their local aldermen to their local council. It did not meet with City Council, however, for Commissioners and most city officials agreed that the city was fully serviced. It also refused to meet with ratepayers' or other citizens' groups, barred the public from its meetings entirely and allowed the press and the Metro liaison representative to be present for only parts of them. This resistance to direct interaction with the public became an increasing irritant as the 1960s wore on and Metro politics became imbued with the citizen activism and demands for citizen participation in government policy-making that characterized North American city politics at that time. By the late 1960s that activism was taking the form of increasingly well-organized protests against two processes in which the transit system was heavily implicated: the public and private redevelopment of the inner core to higher densities and the construction of the Spadina Expressway, which was progressing slowly but inexorably toward the central city from the northwest.

A rise in citizen activism was only one of the important changes occurring in the TTC's political environment in the early part of the 1970s.

A second was the reorganization of Metropolitan Toronto Council that became effective on January I, I967 - a change that shifted the balance of Council voting power toward the suburbs. Under the new arrangements the number of municipalities in the federation was reduced from thirteen to six but the suburbs gained eight new Council members, for a total of 20, while City representation remained unchanged at I2 seats. (The Chairman brought the total to 33). For the time being the powerful Executive Committee remained evenly divided between five suburban and five city members. Nonetheless the suburbs were now in a much stronger position than before to try to make the TTC change its ways.

A third important change in the TTC's political environment was a developing provincial interest and involvement in public transportation policy-making. This interest initially took the form of a massive Metropolitan Toronto and Regional Transportation Study (MTARTS) that included mass transit as well as roads in its assessment of the region's long-term transportation requirements and the province's financial responsibility for meeting them. While the study's most immediate outcome was a commuter rail service initiated in I967 to link downtown Toronto with Oshawa on the east and Oakville on the west, its work program suggested that the province might be ready to increase its support to municipal transit as well.

The event that initiated a process of adjustment in the Metro/TTC relationship was a fare increase early in I969. The immediate effect of that increase was to intensify pressure on the TTC and Metro Council for a fare rollback, the removal of zone fares and fare concessions to selected groups. When end-of-year figures showed a ridership loss for the first time in five years, political pressures evolved into a generalized demand for government subsidies to free the TTC from dependency on the farebox. Metro's first reaction to this new "crisis" in TTC finances was to agree to cover the loss to the TTC of providing reduced-price tickets to senior citizens in special categories of need. Early the next year (I970) it made two new appointments to the Commission. One, Gordon Hurlburt, was a recently-defeated North York Controller who represented those Metro Councillors who advocated the reduction of zone fares, opposed fare increases and supported fare concessions to transit dependent groups. The second new appointee was a retired Air Canada official thought to have good relations with the provincial government. (82)

These moves to make the Commission both more representative of and more responsive to its changing political environment failed to satisfy those politicians (who existed in the city as well as the suburbs) who were arguing for total abolition of the TTC and the transfer of its functions to Metro Council. In May 1970 Council took another step in that direction, overriding the objections of Chairman A.M. Campbell to ask for a change in provincial legislation that would allow it to appoint one of its sitting members to the Commission. The provincial response was to give Council the right to establish a commission made up entirely of persons chosen from among its own members or those of any of the six constituent municipalities and to appoint commissioners for one-year rather than three-year terms - powers that enabled it to tie the TTC more closely into the Metro structure and make it more reflective of prevailing political attitudes. One senior provincial official described the government's action as a move designed to enable Metro Council to do away with an appointed TTC entirely and transfer its responsibilities to Metro Council whenever it wished to do so.(83)

Despite the provincial action Chairman Campbell urged Council to continue the practice of appointing citizen members (that is, persons not currently holding elected office) to sit on the TTC. If it became Metro policy to have a commission composed of members of Council, he pointed out, each municipality would want to be represented.(84) Council's response was to appoint only one of its members, an alderman from the outer Borough of Etobicoke, to replace a long-time TTC member perceived to be too closely tied to the city. It was not long, however, before a series of events occurring in rapid succession spurred Metro Council to a more serious attempt to gain control over the Commission. The first of these was the provincial premier's announcement in June 1971 that the government was halting completion of the bitterly-fought Spadina expressway and substantially increasing its assistance to urban transit. Following closely on that decision was the completion of organizational arrangements for a comprehensive restudy and revision of the 1966 metropolitan transportation plan. The fact that the Metropolitan Toronto Transportation Plan Review (MTTPR) began its work soon after the cancellation of the Spadina Expressay meant that Metro planning staff would now have an even greater interest in the characteristics and development of the area's mass transit system than they had had in the past. A third event was an aggressive and

well-publicized challenge to the TTC operating philosophy mounted by a group representing a low income downtown neighbourhood whose requests for bus service had regularly met with refusals from TTC staff. The fourth was a municipal election late in l972 that returned a City of Toronto Council with a majority of members who espoused the views of neighbourhood and community groups that had been opposing the transportation and developmental thrusts of existing city and metropolitan plans. That event seemed to signify the emergence of a political climate, particularly in the city, that would be supportive of a metropolitan transportation policy with a clear bias toward public transit.

By the time these events began to occur the TTC and Metro had already completed an examination of alternative fare and subsidy policies and Metro had asked the province for assistance. In launching that examination, the TTC General Manager of Operations expressed a strong preference for a fare-by-distance arrangement, terming it the most equitable method of charging for service. In doing so he revealed how isolated staff had become from the current political climate by suggesting that the only difficulty with implementing such a system was that of developing automated fare collection equipment for buses.(85) As public subsidy became increasingly likely, however, the General Manager of Operations reiterated his long-held position that assistance for the purchase and construction of capital assets was the best way to encourage the growth of transit systems and maintain efficient operation. If some form of operating assistance were deemed necessary, he went on, it should take the form of a cost-sharing agreement rather than an ex-post-facto grant to cover all operating deficits. Assistance of the latter type, he maintained, was not conducive to management efficiency "and removes the measurement provided by the use of profitability accounting based on sound budgeting." There should also be a slow, controlled increase in the fare structure to keep pace with the rise in the cost of living.(86) This latter advice did not appear in the TTC's submission to Metro Council. Instead the Commission told Metro that the withholding of operating assistance would mean an annual fare increase that would hurt those who most depended on transit, contribute to the "downward spiral" that had done so much damage to transit systems elsewhere, particularly in the United States, and lead to increased automobile use and automobile pollution. It asked Metro and the province to assume responsibility for all capital, interest and depreciation costs,

reimburse the Commission for the difference between student and adult fares and relieve the TTC from various taxes. It emphasized that it was not asking for further relief from property taxes, however, because it was concerned about the size of the tax burden already being borne by Metro taxpayers.(87) Metro's reaction was to turn immediately to the provincial government, asking that it not only join Metro in providing those forms of assistance specified by the TTC but that it also consider the longer term possibility of making a grant based on total passengers carried.(88)

The provincial response took the form of a new Public Transportation and Highway Improvement Act passed in July, 1971, only four months after Metro made its request and one month after cancellation of the Spadina Expressway. It authorized provincial grants of up to 50% of operating deficits of local transit systems, the actual amount to be based on population and the number of passengers carried, as long as municipal governments agreed to pay an equivalent amount. The act also made surface transit operations eligible for capital assistance for the first time. Metro Council agreed to pay its share of the subsidy and soon afterward approved the abolition of zone fares. The TTC remained opposed to such a move and refused to implement it. The only way out of the impasse was to change the membership of the transit commission to make it more amenable to the views of the Council majority, and by May 1972 Council had indicated it intended to do just that.

As Metro Council became increasingly determined to secure a single fare the TTC was coming under attack from quite a different source - a community organization representing the interests of a low income Toronto neighbourhood that had been trying unsuccessfully for nine years to persuade the agency to establish a new bus route on Jones Avenue, a north-south street in the working class Riverdale community on Toronto's east side. The people in or near the street claimed that existing routes were too far from their homes; the TTC maintained that most people in the area were within the 2000-foot maximum distance from bus or subway service. A new service would not yield additional revenue, it said; it would merely take riders from nearby routes. In the beginning the neighbourhood abided by the TTC's rules, conveying its requests through its aldermen. In 1971, however, it was able to hire a community organizer with the help of

government funds and under his tutelage adopted a more aggressive approach. (89) It assembled data to show that the area had a disproportionately large number of those types of residents (elderly, disabled, single parent families, women working at night and carless households) who were most in need of transit service. It also conducted a survey to demonstrate potential ridership. When discussions with TTC staff failed to produce immediate results, members of the group resorted to tactics designed to win wider political support and a hearing from the Commisson itself - a late night visit to the home of Chairman Day in the city's wealthy Rosedale neighbourhood, a direct appeal to Metro Council and a sit-in staged at TTC offices to gain admission to a Commission meeting. What had begun as an attempt to persuade the TTC to improve its service to a single neighbourhood had evolved into a widely-publicized attack on the TTC's mode of decision-making - particularly on its refusal to meet with community groups.

In June 1972, in the midst of the zone fare dispute and the clamor for a Jones Avenue Bus, Chairman Day announced he would not seek reappointment to the Commission. Council filled the vacancy with Karl Mallette, a Scarborough Controller and Metro Council member with a long record of opposition to the TTC's suburban service and zone fare policies. Within the next two months the Commission had not only approved the Jones Avenue bus but had also agreed to open its regular meetings to small groups of citizens. In January 1973 Council appointed Paul Godfrey, a North York controller who, like Mallette, had long been advocating Metro takeover of the TTC, improved suburban service and a single fare. By the middle of that year Godfrey had become Metro Chairman while retaining his place on the transit commission and Council had added yet another suburban member to the TTC.

While Metro Council was restructuring the TTC to make it more responsive to suburban concerns the provincial premier announced substantial additions to its public transit assistance program, including an increase in capital subsidies for up to 75% of the total cost of subway construction and capital equipment and 100% of the cost of research and development of an intermediate capacity rapid transit system based on advanced technology. In making the announcement the premier outlined specific routes for the new technology in Metropolitan Toronto and other

Ontario cities. The province also proposed to extend to sections of Metropolitan Toronto a dial-a-bus program introduced outside the area in 1970 as a feeder service to the GO Transit commuter system. From being a source of outside funding assistance for projects designed within Metropolitan Toronto the provincial government had quickly assumed the role of full-scale participant in Metro's transit policy-making. Its presence further complicated what had already become an elaborate decision-making process involving the TTC, Metro and municipal councils, Metro planning staff and, increasingly, spokesmen for neighbourhoods and groups having an interest in particular types of transit service.

The changes in the TTC during 1972 and 1973 removed one roadblock to the realization of those changes in transit policy that TTC critics both inside and outside Metro Council had long been demanding. Provincial financial assistance reduced another. Metro Council indicated which of the two had been the greater restraint on its own transit inititiaves by waiting to extend reduced fares to all senior citizens until after the provincial government made its first promise of assistance and by endorsing 24-hour reduced fares for children and high school students only on condition that the province would pay half the cost. The Metro Executive Committee also refused to cover the additional deficit resulting from a uniform Metro-wide fare until it could secure the provincial government's agreement to pay half of it. The province instead advised the TTC to resist the idea. (90). The Commission approved the change nonetheless as soon as Godfrey joined its ranks. Metro and the provincial government then made the new fare structure eligible for assistance under the same terms that had applied to the old. In 1974 the province went even further, agreeing to remove the ceiling on the amount of deficit eligible for 50% assistance as long as the TTC did not increase its fares.

The Consequences of Politicization

These years of growing political involvement in transit decision-making saw a number of policy changes and innovations that the TTC's critics and local transit boosters had long been advocating. The Commission revised a long-standing policy to phase out streetcars, deciding to retain all but one of its remaining streetcar routes and to rehabilitate its

fleet of aging vehicles. It undertook to operate three Dial-a-bus demonstration projects in North York on routes selected by the provincial government, with the province paying the entire cost of the experiment. Metro Council agreed to reserve the curb lanes of a few major arterials for exclusive use by TTC buses. The TTC undertook to build 125 passenger shelters (with 75% funding from the province) at locations selected by the area municipalities, with three quarters of them assigned to the three outer suburbs. It initiated a two-year pilot project to provide service to the physically handicapped on a demand-responsive basis, using specially-equipped vans, with Metro and the province sharing the costs between them. Finally the TTC introduced an experimental express bus service at a premium fare between downtown Toronto and a civic and commercial centre in the heart of suburban Scarborough.

These same years were characterized by intensifed political infighting among all those participating in or affected by transit decisions. Within the TTC itself there was ongoing dissension between the Commission and its staff. Senior staff members argued against some of the innovations being promoted by provincial or local actors - particularly the dial-a-bus and express bus experiments - on the grounds that they were too costly and were unlikely to yield much improvement in overall transit service. With the advent of provincial funding, according to one senior manager, the Commission "lost the yardstick of economics" as a basis for decision-making. Staff members also felt that politicians on the Commission were using it as a political platform and so creating an atmosphere of great uncertainty for those who had to operate the system. They also felt under constant pressure to assemble data and prepare reports that they lacked the staff resources to provide. The politically-minded Commissioners, for their part, found the staff inflexible and uncooperative - wedded to outdated ideas and procedures and unwilling to adapt to the changes occurring around them. Some of them still harboured resentment at what they saw as the TTC's past neglect of suburban needs. Their unwillingness to abide by the "rules' that had traditinally guided TTC decision-making made them distrustful of staff advice and suspicious of staff motives. When the press on one occasion interpreted a TTC report as critical of the province's intermediate rapid transit initiative, for example, Commissioners accused the staff of writing and releasing the report without their knowledge (even though they had had it in their hands for

several months) and adopted tighter procedures for the preparation and distribution of reports.(91) They were anxious to stay on good terms with the province.

There was also renewed friction between the TTC and Metro planners. The TTC responded to the province's plan for an intermediate capacity rapid transit system by pointing out that the routes recommended by the province conformed closely to routes proposed for intermediate capacity transit in a conceptual plan prepared by the TTC in 1969. It immediately released an updated version of that plan in which it endorsed the province's proposals but asked that priority be given to the construction of further extensions to the Bloor Street subway and construction of a subway on Queen Street.(92) Metro planners, already annoyed by the provincial invasion of their planning jurisdiction, saw this as new evidence of the need for legislative and structural changes that gave them clear authority to plan Metro's major transportation facilities.(93)

Not only did the politicization of the TTC fail to end controversy about transit issues; it also did not end Metro Council's efforts to bring the agency under its control. During 1973 and 1974 Council required the TTC to send a representative to meetings of its Transportation Committee and to make its agenda available to all members of Metro Council. It also required Metro's Commissioner of Roads and Traffic to attend TTC meetings. These moves to encourage cooperation among the area's transportation bureaucracies did not satisfy those who wanted Metro to absorb public transit into a Metro Transportation Department that also had responsibility for roads and parking. One of these persons was Metro Chairman (and TTC Commissioner) Paul Godfrey, who in February 1974 asked Metro's Executive Committee to investigate methods of integrating the TTC's 6900 employees into the Metro bureaucracy. Senior members of TTC staff lobbied vigorously against the proposal, with the result that Council decided to hire a consultant to recommend the best organizational structure for the Commission. In his report the consultant noted that staff morale at the TTC was at an all time low and identified recurring talk of amalgamation as a contributing factor.(94) He acknowledged the conservative, business-minded orientation of top management but also suggested that the existing board was "too political" - too representative, in other words, of current political opinion and not necessarily inclined to act in the public interest. After detailing the extent of Metro involvement in transit matters he suggested that the

only TTC functions that would benefit from better integration with other branches of Metro government were planning and top level policy and budget review. He also indicated a need for better documentation of the standards used to evaluate TTC services and called for a chief executive officer or single general manager to oversee and coordinate staff activities. In conclusion he recommended that the Commission be retained but that it be restructured to include the Metro Chairman and one member of Metro Council, a representative of the business community, a person nominated by a citizens' group and the TTC General Manager sitting ex-officio.

Metro Council quickly indicated that it had no intention of allowing the TTC's chief executive officer to sit on a restructured Commission. At the same time it rejected Chairman Godfrey's recommendation to leave the TTC as it was, with three elected and two non-elected members. Hencefore, it decided, the TTC would consist of the Metro chairman, one member of Council and three non-elected persons. The decision made little immediate difference in the composition of the TTC, for Council made its next appointments from among its former rather than its sitting members. It did suggest, however, that a majority on Council was now ready to distance itself from TTC affairs. There are two possible explanations for this change of attitude. One is that Council members wanted to be less implicated in decisions capable of generating intense political feelings at the neighbourhood level and thus entailing a degree of political risk. A second is that there were clear signs that the course being followed by the politicized Commission was an expensive one. The TTC deficit had risen from $6.2 million in 1972 to a projected figure of $30 million for 1974, a trend that meant that Metro and the province faced the prospect of rapidly increasing outlays on the transit system in the years ahead.

A strike of TTC employees later in 1974 provided new evidence that close association with the TTC could entail both financial and political costs. The strike occurred after TTC management and commissioners, in a rare show of unity, resisted union demands as excessive and blamed open-ended provincial funding for encouraging the union to make them. After the strike had lasted 23 days with no sign of settlement the provincial government legislated the employees back to work and appointed an arbitrator to settle the dispute. The arbitrated award struck a compromise between the wage increase demanded by the union and the offer

made by the TTC. It also met several union demands for changes in operating procedures that added to TTC operating costs. The TTC's General Manager would subsequently blame the settlement for a 24.4% increase in operating expenditures.(95) The strike also brought an end to the political career of Commissioner Karl Mallette, whose defeat as controller in predominantly working-class Scarborough was attributed to criticisms he had directed at the transit union in the early days of the strike.

By the end of 1974 even some commissioners (who now consisted entirely of sitting or former members of Metro Council) had begun to question whether the Commission was not too involved in details of operation and whether the publicity surrounding the TTC's internal differences were not having damaging effects on the agency's public relations. Early in 1975, therefore, the TTC engaged its own consulting firm to review and recommend changes in internal staff structure and soon afterward initiated a search for a Chief General Manager.(96) It ultimately went outside the organization to hire Michael Warren, a provincial senior civil servant with no experience in public transit but with good connections in the provincial bureaucracy and a reputation for hard work and initiative. His role was not only to coordinate all staff activities and convey staff recommendations to the Commission but also to act as a liaison between the TTC and outside governments at the staff level. Even before Warren arrived on the scene in 1976, in fact, the Commission had begun to take steps to reduce the possibility of public controversy and improve its relations with outside interests by discussing contentious issues at private meetings to forestall disagreements at regular (open) meetings, by adopting an expanded program of community relations to facilitate interaction between TTC officials and community groups, and by developing a closer working relationship with Metro's Commissioner of Planning and Commssioner of Roads and Traffic.(97)

The TTC's review of its management structure and procedures occurred at a time when its growing deficit was beginning to attract considerable criticism from the press and other watchdogs of public spending. While most of that criticism fell on the TTC, it also reflected adversely on the apparent willingness of the metropolitan and provincial governments to pay unlimited amounts to support the system. Early in 1975 the province again placed an upper limit on the total subsidy it would pay, at the same time lifting the freeze on fares. A TTC announcement of a fare increase shortly

afterward prompted an intense debate in Metro Council, which ultimately turned down motions that would have committed it to increase its subsidies to forestall the increase or to extend reduced fares to people on welfare and the working poor. It agreed only to ask for a share of federal and provincial taxes on gasoline, drivers' licenses and registration fees, seek provincial permission to levy a surtax on business assessments for transit purposes, foster studies of ways to use housing and land use policies to improve public transit operations and retain children's and pensioners' fares at their existing levels. Not only did fares go up but they did so again less than a year later, after the provincial government limited the size of its incease to 5% and Metro again decided not to exceed it. The two increases amounted to a 60% rise in less than ll months.

Fare increases were not the only signs that the expansionist period was coming to an end. The provincial government withdrew funding from two dial-a-bus routes in l974 and from the third in l976 and the TTC immediately ceased their operation. The service ended for reasons that accorded closely with reservations earlier expressed by TTC staff. The small buses were competing with regular TTC vehicles, which provided more frequent service on nearby arterials, and the TTC's labour contract made it difficult to experiment with routings and destinations. Operating deficits were high and neither the TTC nor Metro Council was willing to continue the experiment if it meant absorbing the operating losses. The express bus service to Scarborough Town Centre experienced a similar fate, with the TTC deciding to end the service after only a few months of operation because of limited ridership and high operating losses.

It had taken less than five years from the time the provincial government changed the rules governing TTC appointments for both Metro Council and the politically-minded transit commission to lose their enthusiasm for making transit operations more responsive to community interests and concerns. During that time, however, local politicians and members of local government bureaucracies were in a better position than ever before to effect changes in transit policy that conformed to the demands of their constituents. Thus the decisions taken during that period provide an opportunity to assess whether administration of transit services

by elected officials is likely to be more responsive to the needs of those most likely to depend on transit than administration by an appointed board.

The transit decision that probably had the most important implications for the long run performance of Metro's public transit system was the approval given by Metro Council in 1973 to the construction of a Spadina subway within the alignment originally proposed by the planners; that is, within the corridor of the cancelled Spadina expressway. In making that decision Metro rejected an alternative alignment proposed by the TTC and approved by a joint metro/provincial committee of transportation officials charged with overseeing the review of the Metropolitan Toronto plan. The TTC alignment would have brought the new subway into the city on a direct north-south route parallel to or under a major traffic artery with heavily-used bus and streetcar service. Thus it conformed to the TTC's philosophy of using subways to upgrade service on heavily-travelled routes and remove surface transit vehicles from congested streets. It also would have meant better service for existing transit users. Much of the route actually chosen by Metro Council passes through ravines at some distance from residential neighbourhoods, and thus relies heavily on feeder buses for patrons. The reason commonly given for that choice was the lower capital costs involved in building the line. The provincial government by this time was paying 75% of the capital costs, however, while Metro was responsible for paying 50% of all operating losses in perpetuity. Operating characteristics or long-term operating costs received little attention in Metro's deliberations about the Spadina route, in fact. The real reasons for Metro's choice were pressure exerted on Metro Council by North York politicians and residents, who believed that construction of a subway in the Spadina corridor would keep the alignment open for an expressway, and the dislike felt by many suburban councillors for city politicians of a "reform" persuasion, some of whom had entered city politics as members of citizens' groups opposing the Spadina expressway.

Other decisions of importance to actual or potential transit users were those aimed at meeting the demands of particular segments of the local population. Suburban residents were the principal beneficiaries of politically-motivated transit decisions, the most important of which were

suburban subway projects and the elimination of zone fares. According to their critics, concessions to suburban transit demands constitute a form of subsidy from central city to suburban riders and a reason for TTC deficits and its dependence on operating subsidies. The intensity of the fight to achieve them suggests, however, that they may also have been necessary to ensure continued political support for the transit system and perhaps even for Metro itself. Nor can it be assumed that the city-suburban transfer they entailed was a transfer from low income city residents to affluent suburbanites. Metropolitan Toronto has developed in such a way that the suburbs - or at least substantial sections of them - have acquired an increasing proportion of those population groups (recently-arrived immigrants, low income and single parent families, elderly citizens) commonly associated with "inner" or "central" cities, while the city has experienced a gradual conversion of its inner residential districts to middle class use. Both these trends fulfill one of the earliest objectives of metropolitan government (and one promoted by city interests and metropolitan officials alike): that of encouraging the dispersal of housing for all income groups, including those requiring government assistance, throughout the metropolitan area as a way of facilitating downtown redevelopment. Thus the efforts to reduce or eliminate city/suburban disparities in transit service has simply been one element of a political and economic process that has reduced disparities in other aspects of the area's social and economic character.

Groups representing some elements of the so-called "transit dependent" population also experienced considerable success in achieving their goals. Senior citizens and students got lower fares. Physically-handicapped residents, although unsuccessful in their efforts to persuade the TTC to make the entire system accessible to persons in wheelchairs, did manage to achieve a demand-responsive bus service that has gradually expanded its operations since its inception in 1973.

All changes in TTC fare and service policies in the early 1970s affected groups whose members vary considerably in income and in the transportation alternatives they have available. Groups that sought assistance on the basis of financial need alone were less successful in getting political support. Metropolitan and local politicians seldom seemed any more inclined than transit officials to take relative need into account in their transit decisions. It is true that Jones Avenue got its bus

service, and it did so partly because politicians on the Commission were influenced by newspaper articles comparing the TTC's treatment of poor neighbourhoods unfavourably with its treatment of wealthy ones.(100) An incident not long afterward indicated that a politicized decision-making environment did not guarantee that lower income neighbourhoods would receive sympathetic treatment in transit decisions, however. It occurred after the provincial government decided in 1974 to cancel two dial-a-bus services and turn the vehicles over to the TTC to operate on routes of its own choosing. There were two contenders. One was a wealthy North York neighbourhood (the Bridle Path) of large single family homes located in a pocket of ravine land at some distance from the nearest arterial streets. Area residents had always opposed plans to improve the arterial road network to allow buses to penetrate the area but they gave strong support to a campaign for a mini-bus service. TTC staff and some members of the Commission opposed the idea, insisting that the service was just for "maids and kids". The group was able to muster support from the Mayor and Council of North York, a member of the provincial legislature and Metro Chairman Godfrey, who at one point persuaded the TTC to reverse a negative vote taken at a meeting he had not attended. The second group seeking mini-bus service was one representing the large Downsview district of north-western North York - an area that had experienced extremely rapid residential growth in the recent past, much of it in the form of low cost, high density apartments and town house complexes, both public and private. Leaders of the campaign compiled statistics to document the distances that many area residents had to travel to bus routes on arterial roads and to local shopping centres, schools and recreation facilities. They conducted a survey that showed 97% of respondents to be in favour of a mini-bus service. Their data also showed the district to have a much larger population than the Bridle Path neighbourhood and to pay more in taxes to North York, despite the lower incomes of its residents. TTC staff members were sympathetic but said the decision rested with North York Council. The matter was settled at a large public meeting where members of that council heard arguments from both groups before deciding that the service should go to the Bridle Path. A second service went to a third area of North York that had frequently asked for but failed to receive regular service because the borough had not made necessary road improvements.(101) Downsview neighbourhoods had to wait until the opening of the Spadina subway in 1978 to secure better transit service.

A problem for the Downsview group was its inability to command the kind of political backing that strengthened the campaign of its rival. Its principal outside support came from nearby York University, which had had a long history of unsuccessful attempts to secure better bus service. Otherwise it had to rely on internal leadership and the backing of local residents. Not only were those residents harder to mobilize than the middle class residents of the Bridle Path district but the two persons who led the campaign both had demanding jobs and were not always able to attend meetings. One of them was a socially-concerned reform alderwoman - one of only two reformers on North York Council - who had already antagonized her colleagues by pointing out neighbourhood problems resulting from too rapid development at too high densities, and by continually pressing for better community services. Nonetheless she felt that her efforts had not been wasted, for at her instigation the public meeting approved a motion asking TTC staff to report on criteria for new routes and for evaluating existing routes.

> I didn't like the idea of having one neighbourhood fighting against another for a bus service. But I was trying to point out that when the TTC had to make choices they are going to have to look at existing routes. I was trying to show with data that there had to be priorities.(102)

Evidently she had concluded that her neighbourhood would fare better from the application of impersonal operating rules than it had from the decisions of its elected council.

Another group that achieved substantial success in effecting a change in TTC policy was "Streetcars for Toronto" - an organization of street railway boosters that succeeded in persuading the TTC to reverse a ten year old policy to retire its streetcars. The vigour of this group's campaign and the support it mustered in the community surprised TTC officials long accustomed to complaints from disgruntled motorists who disliked sharing streets with streetcars and streetcar tracks. The victory did not amount to a comeback for streetcars, however. At the group's instigation the TTC undertook to restore streetcars on downtown Spadina Avenue but gave up the attempt in the face of city council and ratepayer opposition to turning loops needed at both ends of the line.

Local council and citizen opposition also helped thwart attempts to confront what an MTTPR report identified as "the most significant weakness in the area's transit system": the slowness of transit service, particularly on surface routes, because of congestion caused by auto traffic.(103) One such attempt was the reserved bus lane experiment introduced during 1973 and 1974 after prolonged negotiations between the TTC, the Metro Commissioner of Roads and Traffic and Metro Council. The Commissioner of Roads and Traffic would agree to having reserved lanes only on streets with at least five lanes of traffic, a requirement that few streets could satisfy. There were immediate objections nonetheless from motorists, nearby neighbourhoods and the owners of stores fronting on affected streets. Metro ended the experiment on all but two streets after eighteen months, saying that time savings were too small to justify the disruption involved.(104)

City and suburban governments were often quick to respond to neighbourhood demands for transportation system changes that worked against the interests of the transit system and its clients. In the suburbs such demands resulted in the removal of one subway station from the Spadina line, decisions not to provide parking facilities near others and withdrawal of a new bus service soon after it was instituted. The city's behaviour was the more noteworthy, however, for it quickly dispelled the expectation that the reform city council that assumed office in 1973 would be more supportive of transit than its predecessor. At best the city's treatment of transit issues was ambivalent. It backed a Toronto Parking Authority decision to raise its rates on downtown lots, saying it wanted to encourage commuters to use transit, despite the TTC's insistence that it did not have enough subway capacity to carry more rush hour passengers. Not long afterward, however, it agreed to instal traffic control devices requested by central residential neighbourhoods, leading the TTC to complain that increased traffic on nearby arterials were causing delays in bus service. City aldermen protested when the TTC reduced the number of streetcars on a downtown route. They protested even more vigorously, however, to an MTTPR proposal for a new light rapid transit line on a busy east-west street in the northern half of the city. In general, a commitment to protect neighbourhoods and a strong anti-development bias prompted the reform council to oppose virtually any change in the city's transportation

system that would facilitate movement into and out of the core even if such change would benefit existing transit users.

One important consequence of the city's attitude was a shift in the focus of metropolitan planning away from downtown development toward a more decentralized concept. The developmental pattern emphasized by the Metropolitan Toronto Transportation Plan Review featured suburban nodes of high density commercial and residential use linked to each other and to the central city by rapid transit. It was a concept that recognized the city's interest in reducing development pressures on the core and the suburbs' growing aspirations for thriving city centres of their own. It was also one that emphasized the role of public transit in the area's future development and played down the role of the automobile. This did not mean that Metro planners were any more willing to take up the cause of the transit user than were local governments, however. At public meetings arranged as part of an extensive public participation program, members of the Review staff sometimes expressed impatience at the frequency with which local residents raised questions concerning routes, schedules or availability of local bus service. The function of the Review, they insisted, was to identify the major transportation facilities required in the future to serve the land use pattern desired by metropolitan area governments and citizens. It was the TTC's job to look after details of transit operation.

Aftermath

Michael Warren's arrival at the TTC in 1976 to take up duties as Chief General Manager ushered in a new period of adjustment in the TTC's activities and its relationship with other Metro agencies. One of Warren's first acts was to initiate a comprehensive staff reorganization designed to increase the agency's capacity for policy and financial planning.(105) The reorganization plan also outlined a work program to which TTC staff adhered closely in the years that followed. Among its early products was a report devoted to a detailed specification and, where possible, quantification, of "standards for evaluating existing and proposed routes."(106) It was an attempt to expand on and formalize the operating rules that had always guided TTC service decisions. While it enlarged on

those rules it did not depart from them in substance or emphasis. Of the six criteria identified as "essential to the development of a uniform and effective method" of route evaluation, "Route Economics" received greatest emphasis, followed by "Accessibility." as measured by walking distance from nearest available transit. The report argued that services intended solely or primarily to serve the transit dependent or to serve land use planning objectives should receive "a special public service subsidy". It also reaffirmed the TTC's intention to adhere to its practice of providing a grid system of routes on major arterials except in "special circumstances."

The organizational changes over which Warren presided were an attempt to rebuild the TTC's capacity to function as a quasi-independent public corporation within the constraints of a changed political environment. In outlining the renewal program Warren noted that "external factors" had become a major source of influence on the TTC "because they have implications for the role of the Commission itself and emphasize the need for a closer working relationship between the Commission, its Management and its financial planning partners at Metro and the Province."(107) Those factors had already produced changes in the relationship between the TTC and the metropolitan government. Senior TTC officials were working with the Commissioner of Roads and Traffic and the Commissioner of Planning on a Technical Transportation Planning Committee to develop jointly-backed proposals for major transportation projects. The TTC and Metro Council had also agreed to establish an intergovernmental committee on transit financing to clarify what the TTC was expected to do in return for operating subsidies and to establish long term policies. Both these cooperative ventures were responses to another external factor that impinged on the activities of both bodies - the prominent role the provincial government had assumed in urban transit policy-making, both as a source of funds and as a producer (through its own public corporation, the Urban Transportation Development Corporation) of transit equipment (streetcars and an elevated light rail rapid transit system).

The renewal program got underway while the provincial government was considering a Royal Commission on Metropolitan Toronto report recommending that " responsibility for operating the transit system be vested in the Municipality of Metropolitan Toronto" in the interest of

achieving greater coordination and accountability in the planning, finance and administration of the area's transportation services.(108) Warren opposed this recommendation, saying it guaranteed "against a return to stable, predictable conditions for the TTC."(109) The provincial government later noted, however, that the recommendation had the support of all of Metro Toronto's member municipalities except North York and advised Metro Council that it was prepared to give it direct control of the TTC if Metro so wished.(110) Council made no move to act on the suggestion. Even Chairman Godfrey believed that further change was unnecessary.

> Now Metro has all the major decision-making powers (for example, on light rapid transit, the Spadina subway, subway extensions, the fare structure, reserve bus lanes.) There is no reason to take away its operational responsibilities.(111)

Metro Council actually aided the TTC in its attempts to reestablish its separate identity by appointing fewer politicians (either former or active) to the Commission and by appointing more members with a background in business and community service.

The provincial government has probably done most to assist the TTC's efforts at organizational renewal, however, despite its professed willingness to see the TTC become part of the Metro bureaucracy. Its contribution stems from a funding formula introduced in 1976 that bases operating subsidies to municipal transit systems on the size of population being served. TTC officials welcomed the policy (which has remained in force ever since) as a contribution to greater predictability, stability and efficiency in its operations. They asked only that the province amend its formula to provide additional assistance to major new transportation facilities (like the Spadina subway, which had not yet opened.) The resulting arrangement left the TTC responsible for meeting 70% of its costs out of fare box revenues, with Metro and the province splitting the remainder between them. The TTC chose to fulfill its responsibility with a "user's fair share policy" that entails small annual increases in fares to keep up with inflation. It takes the position that small regular fare increases

discourage fewer riders than cutbacks in service - an argument very like that used by the agency's first general manager to defend the fare structure implemented in 1921. Although fare increases remain a source of political controversy, Metro Council has consistently rejected proposals that it assume a greater share of TTC operating deficits to prevent them from occurring.

Conclusion

The objective that has tended to override all others in the transit decisions of Toronto area governments has been to protect the local tax base and local taxpayers from having to contribute toward this service. Only in unusual circumstances have those governments taken an active interest in exploring the potential of urban transit to fulfill two other objectives with which it is frequently identified: those of promoting community development and securing transportation for community residents. In the Toronto area those circumstances have occurred only three times in this century: during a short period before the outbreak of World War I, an even shorter period in the late 1920s and a prolonged period that began with the formation of Metropolitan Toronto in 1954 and did not end until the late 1970s. During the first period the city council decided to build its own street railway lines in newer parts of the city and to buy out the private company that had earlier contracted to serve the older districts. During the second it launched a judicial inquiry into the way its appointed transit commission was conducting its affairs. During the third the metropolitan council gradually took responsibility for subway location decisions and subway financing away from its transit commission and then quickly surrendered some of that responsibility to the provincial government. In the latter part of the period it also assumed partial responsibility for the commission's operating deficit.

The three periods had a number of important similarities despite their occurrence at widely separated points in time and at different stages in the area's development. All were periods of rapid urban development and expansion sustained by rapid growth in the national and local economies. All produced intense political controversy about transit issues, much of it

centering on the transportation requirements of persons living in newly-populated districts outside the boundaries of the older, more densely settled central area. All were characterized by a relaxation of constraints on the financial capacity of local government to initiate new services or expand existing ones. All came to an end when economic growth slowed down; the second one abruptly with the onset of severe depression in 1929; the other two somewhat more slowly. Finally, all were characterized by politically-induced changes or perturbations in the organizational arrangements for transit administration.

The model that has characterized the administration of Toronto's public transit system for most of its history has been the public corporation or independent commission. It is clear from surveying the history of that system that this is the model that local governments perceive as most capable of fulfilling the objective of minimizing their own financial responsibility or political culpability for transit decisions. It is the model the city government selected when it took over its transit system at a time when the industry was not only experiencing rising costs and falling profits, but also facing an uncertain future. It is also the model to which successive governments have returned at times when they have wanted to reduce or stabilize their level of involvement in transit operations. It has never fulfilled the expectation of some of its advocates that it would allow transit operators to pursue an independent course, however, by removing them from political pressure and the need to accommodate political interests. Both the Toronto Transit Commission and its predecessor, the Toronto Transportation Commission, have been continuously and often intensely involved in dialogue and disagreements with members of various branches of local government and representatives of community interests about transit needs and priorities. In these interactions the Commission has consistently advocated an operating and investment strategy designed to secure a balance of costs and revenues and to set aside enough funds to maintain or improve the system as circumstances dictate. As long as local governments were more concerned with avoiding financial or political liability for transit decisions than with achieving other types of objective, that strategy allowed the agency to function in relative harmony with its environment. At times when local governments have adopted more expansionist goals their dissatisfaction with that strategy has resulted in

attacks on and weakening of the model. The result has a been a gradual shift toward the alternative model - administration of the transit system by the local council or by persons directly accountable to it.

The Toronto case study lends support to the argument that operation of public transit by a public corporation is likely to be more efficient (less costly to government and taxpayers, that is) than operation by a local government. This is not necessarily because the two models engender a difference in the philosophy of those who actually operate the system. In those instances when political considerations displaced fiscal prudence as the dominant basis for Toronto's transit decisions the system's operators (the Department of Works in one case; the staffs of the Toronto Transportation Commission and the Toronto Transit Commission in the others) remained strong advocates of the more conservative approach. The corollary of this observation, then, is that the public corporation model is unlikely to satisfy those members of the local community or its government who look to transit as an instrument for promoting or assisting the development of new parts of a city or metropolitan region. Its natural inclinations are to consolidate and, when finances allow, improve its services in areas of established usage. Thus the use of transit as a developmental tool requires strong incentives and ongoing participation from government.

When it comes to assessing the contribution that each of the two models made to the type and quality of service rendered to Toronto area residents the issues become more complex. Certainly it was city government intervention (and financial involvement) that brought transit service to residents of the newly-annexed districts of the City of Toronto in the decade preceding public takeover in 1921. It was also intervention by the metropolitan and provincial governments in the early 1970s that induced the TTC to change its fare policy in ways that benefitted senior citizens, students and suburban residents, and to provide a special service to the physically handicapped. The case study suggests, however, that neither the transit operators nor local governments were inclined to attach much significance to evidence of transit need or dependency in deciding where new services should go. At the same time they differed in the way they arrived at their decisions. Transit operators tended to base decisions on

such impersonal measures as actual or potential ridership, density of development of the area requesting service and average walking distance to the nearest available transit stop. Local governments were more likely to respond to pressures exerted by organized interest groups. The mode of decision making followed by transit operators seems to be a more reliable way of ensuring that transit becomes available to the largest proportion of those urban residents whose income circumstances make car ownership financially difficult or impossible, for a number of reasons. First, such persons are likely to live in areas of the city that satisfy the density criteria used to assess potential ridership. Second, the persons or neighbourhoods that are best equippped with the political resources needed to convince politicians to accede to their demands are typically those for whom transit service is likely to serve merely as a supplement to private transportation, not as the primary form of mobility. Finally, the effect of neighbourhood and group pressure on transit decisions tends more often to work against than in favour of the interests of transit users in general. What Alan Altshuler observed for the United States seems to hold equally well for Toronto.

> The primary mobilizing incentives for individual citizens who participate in transportation planning ... tend to be fear and indignation. The objective of improved service is rarely sufficient to motivate sustained or energetic participation. Citizens expend the time and energy required for effective participation mainly in order to protect their homes and immediate community environment.(113)

More often than not, the effect of such action is to induce local governments to reject measures that will improve the operation of the transit system and to adopt measures that made its operation more difficult.

It would be a mistake to conclude, however, that the public corporation model allows transit operators to override or ignore community opinion with impunity. The threat of takeover or even dissolution by an elected branch of government is a real one for an appointed board that deviates too far from prevailing political opinion. All the model does is furnish a city with a public transit advocate that is separate and distinct from those city

government agencies and civic groups whose advice to government is incompatible with the requirements for transit viability. Such advisors not only include the many governmental and non-governmental interests who promote the use of automobiles and the provision of public facilities to serve them but also those land use planners (both public and private) whose schemes cater to the automobile and ignore transit altogether. It is doubtful, however, that an independent commission can serve as an effective advocate for transit in a hostile or non-supportive environment. During the years under city ownership the TTC's ability to promote the interests of mass transit against competing pressures on government derived substantial support from two city council decisions taken early in its history: the decision not to increase the size of the city by further annexations and the decision to allow the TTC to retain its surplus earnings to sustain the system through difficult times and rehabilitate it in good ones. The first decision relieved the transit agency from pressures to provide uneconomic services to areas still undergoing development; the second allowed it to make a number of investments with important consequences for the subsequent development of the area's transit system. If the transit system had remained in the hands of the Department of Works it is likely that at least some councils would have used its surplus revenues to satisfy ever-recurring demands for reduced fares, street improvements or lower taxes. The subsequent history of the system would thus have been much more like that of those found in other North American cities.

The most important decision for the development of Toronto's transit system under the aegis of metropolitan government was the 1946 decision to build a Yonge Street subway. The credit for that decision belongs almost entirely to the TTC, which had to overcome the scepticism of planning and transportation officials preoccupied with finding ways to accommodate the automobile as well as the reluctance of the city government to commit any funds to such a project. The long-run importance of the decision had little to do with the TTC's desire to improve service on heavily-congested streets, however. It derived instead from the subway's perceived role as a catalyst for development not only in the downtown but throughout the length of the corridor through which it travelled. Ironically it was the identification of subways with the pursuit of developmental objectives that not only accounted for the political support the TTC managed to win in Metro Council

- first from city and then from suburban members - but that ultimately resulted in the loss of much of its influence over the development of Metro's transit policy.

NOTES

(1) Hamilton, Neil W. and Peter R. Hamilton, Governance of Public Enterprise. Lexington, Mass. D.C. Heath, 1981.

(2) Ibid., pp. 93-129.

(3) Paul E. Peterson, City Limits (Chicago: University of Chicago Press, 1961), pp. 29-65.

(4) For the classic treatment of this idea see Sam Bass Warner, Streetcar Suburbs (Cambridge, Mass.: Harvard University Press, 1978).

(5) See, for example, Christopher Armstrong and H.V. Nelles, "The Rise of Civic Populism in Toronto 1870-1920" in Forging a Consensus, ed. by Victor L. Russell (Toronto: University of Toronto Press, 1984), pp. 192-237 and Michael J. Doucet, "Politics, Space, and Trolleys: Mass Transit in Early Twentieth-Century Toronto," in Shaping the Urban Landscape, ed. by Gilbert A. Stelter and Alan F.J. Artibise (Ottawa: Carleton University Press, 1982), pp. 356-381.

(6) The Charter of the Toronto Railway Company Together with Subsequent Statutes, Agreements and Judgements Relating to the Said Company and the Corporation of the City of Toronto: From April 13, 1882 to December 8, 1905 (Toronto 1906).

(7) Toronto City Council Minutes (hereafter City Minutes), 1903, Appendix C, pp. 11, 111-4; 1904, Appendix C, p. 4; 1906, Appendix A, pp. 1306-7.

(8) Ibid., 1910, Appendix A, pp. 40-41.

(9) Bion J. Arnold, Report on the Traction Improvement and Development of the Toronto Metropolitan District (Toronto, 1912), pp. 1-2; John Mackay, Interim Report upon the Proposed Purchase by the City of Toronto of Certain Street Railway and Electric Light and Power Interests (Toronto, November 1974), p. 8.

(10) City Minutes, 1913, Appendix A, p. 412.

(11) Ibid., Appendix C, pp. 17, 108.

(12) Ibid., December 2, 1912, #1269, p. 528; 1913, Appendix A, pp. 28, 60; 1914, Appendix A, pp. 1902-3; 2154-55.

(13) From figures contained in City Minutes, 1912, Appendix C, p. 59; 1915, Appendix C, p. 137.

(14) From figures contained in City Minutes, 1921, Appendix C, p. 101.

(15) City Minutes, 1911, Appendix A, p. 1184.

(16) Horatio C. Hocken, "The New Spirit in Municipal Government" (1914) in Saving the Canadian City: The First Phase 1880-1920 (Toronto: University of Toronto Press, 1974), pp. 195-208; Roger E. Riendeau, "Servicing the Modern City 1900-30", in Forging a Consensus, ed. by Victor L. Russell, pp. 157-180.

(17) Mill rates for the years 1898 - 1911 are found in City Minutes, 1912, Appendix C, p. 59. Rates for years after 1911 are found in the annual reports of the City of Toronto Assessment Commissioner, City Minutes, Appendix C, variously paged.

(18) C.R. Barnes, J.H. Cain and J.M. Campbell, Report to the Ontario Railway and Municipal Board on a Survey of Traffic Requirements in the City of Toronto and Service Furnished by the Toronto Railway Company. (Toronto, 1914), pp. 194-5.

(19) Doucet, "Politics, Space, and Trolleys," pp. 369-70.

(20) W.R. Plewman, Adam Beck and the Ontario Hydro (Toronto 1947), p. 292.

(21) Robert Craig Brown and Ramsay Cook, Canada 1896-1921. A Nation Transformed (Toronto: McClelland and Stewart, 1974), p. 199.

(22) Plewman, Adam Beck, pp. 106-111; 113-116; 195; 299-301.

(23) City Minutes, 1915, Appendix C, p. 3.

(24) Ibid., Appendix C, p. 91

(25) Ibid., 1918, Appendix A, pp. 1236-9; 1919, Appendix A, p. 1240

(26) Ibid., 1919, Appendix A, p. 1250

(27) R. C. Harris, F.A. Gaby and E.L. Cousins, Report to the Civic Transportation Committee on Radial Entrances and Rapid Transit for the City of Toronto. Vol. I, 1915, p. 4.

(28) City Minutes 1917, Appendix C, pp. 6-8.

(29) Doucet, "Politics, Space, and Trolleys," p. 374.

(30) Ibid., p. 375.

(31) City Minutes, 1919, Appendix C, p. 94.

(32) Ibid., 1918, Appendix A, p. 3.

(33) Ibid., Appendix C, p. 5

(34) Ibid., Appendix A, p. 1937.

(35) Canadian Railway and Marine World (hereafter CRMW) 24 (1921), pp. 486-7.

(36) Ibid., 26 (1923), p. 234.

(37) City of Toronto Archives, Harrison Papers, Letter to T.L. Church (Mayor) and Members of the Board of Control, 17 May 1921.

(38) For a more detailed account and documentation of highlights of the TTC's relationship with the city government see Frances Frisken, "A Triumph for Public Ownership: The Toronto Transportation Commission 1921-1953" in Forging a Consensus, ed. by Victor L. Russell, pp. 238-71.

(39) CRMW, 27 (l924), p.191; 35 (1932), pp. 326;374; 36 (1933), p. 218.

(40) See the messages to City Council delivered by Mayors Thomas Foster (City Minutes 1927, Appendix C, pp. 1-5) and Sam McGuire (City Minutes, l928, Appendix C, pp. 1-4; 1929, Appendix C, pp. 1-5).

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